

Union Park Charter Academy

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

Basic Financial Statements
For the Year Ended June 30, 2026

Union Park Charter Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Union Park Charter Academy
Wesley Chapel, 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 Union Park Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Pasco County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the 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.

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.

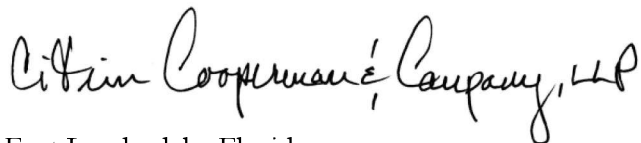
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Required Supplementary Information

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 27 through 29 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 August 27, 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.



Fort Lauderdale, Florida
August 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Union Park Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Pasco 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 totaled \$ 2,313,736, as compared to \$ 2,159,770 as of June 30, 2025.
- As of June 30, 2026, the School had a net position (deficit) of \$ (1,061,171), as compared to \$ (1,131,383) at 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. 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 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Projects 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 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 fund 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 26 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 1,061,171, at the close of the most recent fiscal year.

Government-Wide Financial Analysis

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

Union Park Charter Academy Net Position (Deficit)			
	June 30, 2026	June 30, 2025	Variance
Assets:			
Current and other assets	\$ 2,647,300	\$ 2,759,535	\$ (112,235)
Capital assets, net	<u>9,861,745</u>	<u>10,130,282</u>	<u>(268,537)</u>
Total assets	<u>12,509,045</u>	<u>12,889,817</u>	<u>(380,772)</u>
Liabilities:			
Other liabilities	411,414	670,433	(259,019)
Long-term liabilities	<u>13,158,802</u>	<u>13,350,767</u>	<u>(191,965)</u>
Total liabilities	<u>13,570,216</u>	<u>14,021,200</u>	<u>(450,984)</u>
Net Position (Deficit):			
Net investment in capital assets	(2,336,295)	(2,304,305)	(31,990)
Restricted	329,167	305,987	23,180
Unrestricted	<u>945,957</u>	<u>866,935</u>	<u>79,022</u>
Total net position (deficit)	\$ <u>(1,061,171)</u>	\$ <u>(1,131,383)</u>	\$ <u>70,212</u>

Current and other assets decreased mainly due to the decrease in the School's cash position as a result of debt service payments and capital asset purchases. Capital assets, net of depreciation, decreased mainly due to current year depreciation expense of \$ 400,654 offset by purchase of new assets of \$ 132,117, primarily classroom furniture and student laptops. Other liabilities decreased primarily due to reduction of a large payable to the management company due to various refunds and payments. Long-term liabilities decreased due to principal payments made on the School's bonds payable, partially offset by new note payable borrowings of \$ 74,600.

Governmental Activities: The School's overall net position (deficit) increased \$ 70,212 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

**Union Park Charter Academy
Management's Discussion and Analysis
June 30, 2026**

Governmental Activities (continued):

	Union Park Charter Academy Change in Net Position (Deficit)		
	June 30, 2026	June 30, 2025	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 365,531	\$ 302,119	\$ 63,412
Operating grants and contributions	512,413	840,055	(327,642)
Capital grants and contributions	619,205	538,964	80,241
General revenues:			
FEFP and other nonspecific revenues	6,957,371	6,963,343	(5,972)
Interest income	79,885	97,954	(18,069)
Miscellaneous income	12,627	109	12,518
Total revenues	<u>8,547,032</u>	<u>8,742,544</u>	<u>(195,512)</u>
Functions/Program Expenses:			
Instruction	3,585,411	3,180,187	405,224
Student support services	142,183	392,371	(250,188)
Instruction and curriculum development services	-	7,220	(7,220)
Instructional staff training services	88,644	26,045	62,599
Instruction-related technology	246,099	178,533	67,566
Board services	57,293	96,869	(39,576)
General administration	3,667	-	3,667
School administration	580,454	707,001	(126,547)
Fiscal services	1,032,435	1,259,262	(226,827)
Food services	362,790	255,217	107,573
Central services	41,484	36,947	4,537
Operation of plant	1,033,075	962,483	70,592
Maintenance of plant	208,975	270,567	(61,592)
Administrative technology services	62,229	-	62,229
Community services	142,240	70,514	71,726
Extracurricular activities	175,876	178,315	(2,439)
Interest on long-term debt	713,965	724,881	(10,916)
Total	<u>8,476,820</u>	<u>8,346,412</u>	<u>130,408</u>
Change in net position (deficit)	70,212	396,132	(325,920)
Net position (deficit)-beginning	<u>(1,131,383)</u>	<u>(1,527,515)</u>	<u>396,132</u>
Net position (deficit)-ending	<u>\$ (1,061,171)</u>	<u>\$ (1,131,383)</u>	<u>\$ 70,212</u>

Total revenues decreased primarily due to a decrease in operating grants and contributions of \$ 327,642 resulting from revenues from the lapsed ESSER grant program not recurring. This decrease was partially offset by increased cafeteria sales and aftercare revenues from more households opting in to the associated programs, and by increased allocations from the state and local capital outlay revenue pools. Total expenses remained relatively consistent with the prior year, increasing by only \$ 130,408. As a result, the School's net position increased by \$ 70,212 during the fiscal 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 \$ 865,030, while total fund balance increased to \$ 2,229,569. 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 11.85% of total General Fund expenditures, while total fund balance represents 30.55% of that same amount.

The fund balance of the School's General Fund increased by \$ 130,786 during the current fiscal year. The increase was due to monies received from referendum funding.

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year since this fund reports federal and certain state expenditure reimbursement grants.

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

The Club and Activities Fund experienced an increase in fund balance during the current fiscal year as revenues associated with additional school events and student activities exceeded expenditures.

Significant Capital Asset and Long-term Financing Activity

Capital assets: At June 30, 2026, the School had capital assets of \$ 9,861,745 net of accumulated depreciation and amortization, as compared to \$ 10,130,282 at June 30, 2025, invested in buildings, lease assets - land, improvements other than buildings, computer equipment and furniture, fixtures and equipment. Major capital assets additions for the year included \$ 104,429 for student laptops and \$ 25,197 for classroom furniture. 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 \$ 13,121,026, as compared to \$ 13,326,104 at June 30, 2025. The decrease is a result of scheduled debt payments in accordance with the Bond Indenture, partially offset by new notes payable borrowings for the purchase of computers. Additional information about the School's debt can be found in Notes 9 through 11 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

Union Park Charter Academy
Statement of Net Position (Deficit)
June 30, 2026

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 1,121,690
Due from other governments	78,739
Due from management company	24,837
Due from related party	585
Accrued interest receivables	2,412
Other receivables	54,498
Prepaid items	181,097
Deposits	9,867
Restricted investments	<u>250,589</u>
Total current assets	<u>1,724,314</u>
Noncurrent Assets:	
Restricted investments	922,986
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	<u>9,861,745</u>
Total noncurrent assets	<u>10,784,731</u>
Total assets	<u>12,509,045</u>
Current Liabilities:	
Accounts payable and accrued expenses	75,208
Salaries and wages payable	228,361
Due to related parties	29,995
Accrued interest payable	77,850
Compensated absences	28,332
Note payable	24,400
Bonds payable	<u>272,000</u>
Total current liabilities	<u>736,146</u>
Noncurrent Liabilities:	
Compensated absences	9,444
Note payable	24,863
Bonds payable, net	11,418,795
Lease payable	<u>1,380,968</u>
Total noncurrent liabilities	<u>12,834,070</u>
Total liabilities	<u>13,570,216</u>
Net Position (Deficit):	
Net investment in capital assets	(2,336,295)
Restricted for repair and replacement reserves	245,000
Restricted for extracurricular activities	84,167
Unrestricted	<u>945,957</u>
Total net position (deficit)	<u>\$ (1,061,171)</u>

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

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

		Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position (Deficit)
	Expenses				
Functions/Programs:					
Instruction	\$ 3,585,411	\$ -	\$ 68,770	\$ -	\$ (3,516,641)
Student support services	142,183	-	-	-	(142,183)
Instructional staff training services	88,644	-	33,825	-	(54,819)
Instruction-related technology	246,099	-	-	-	(246,099)
Board services	57,293	-	-	-	(57,293)
General administration	3,667	-	-	-	(3,667)
School administration	580,454	-	-	-	(580,454)
Fiscal services	1,032,435	-	-	-	(1,032,435)
Food services	362,790	126,851	213,068	-	(22,871)
Central services	41,484	-	-	-	(41,484)
Operation of plant	1,033,075	-	-	-	(1,033,075)
Maintenance of plant	208,975	-	-	-	(208,975)
Administrative technology services	62,229	-	-	-	(62,229)
Community services	142,240	238,680	-	-	96,440
Extracurricular activities	175,876	-	196,750	-	20,874
Interest on long-term debt	713,965	-	-	619,205	(94,760)
Total governmental activities	\$ 8,476,820	\$ 365,531	\$ 512,413	\$ 619,205	(6,979,671)
General revenues:					
FEFP and other nonspecific revenues					6,957,371
Interest income					79,885
Miscellaneous income					12,627
Total general revenues					7,049,883
Change in net position (deficit)					70,212
Net position (deficit), July 1, 2025					(1,131,383)
Net position (deficit), June 30, 2026					\$ (1,061,171)

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

Union Park Charter Academy
Balance Sheet - Governmental Funds
June 30, 2026

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 1,020,328	\$ -	\$ -	\$ 101,362	\$ 1,121,690
Due from other governments	-	35,412	43,327	-	78,739
Due from management company	24,837	-	-	-	24,837
Due from related party	585	-	-	-	585
Due from other funds	95,934	-	-	-	95,934
Accrued interest receivables	2,412	-	-	-	2,412
Other receivables	54,498	-	-	-	54,498
Prepaid items	181,097	-	-	-	181,097
Deposits	9,867	-	-	-	9,867
Restricted investments	1,173,575	-	-	-	1,173,575
Total assets	<u>\$ 2,563,133</u>	<u>\$ 35,412</u>	<u>\$ 43,327</u>	<u>\$ 101,362</u>	<u>\$ 2,743,234</u>
Liabilities:					
Accounts payable and accrued expenses	\$ 75,208	\$ -	\$ -	\$ -	\$ 75,208
Salaries and wages payable	228,361	-	-	-	228,361
Due to related parties	29,995	-	-	-	29,995
Due to other funds	-	35,412	43,327	17,195	95,934
Total liabilities	<u>333,564</u>	<u>35,412</u>	<u>43,327</u>	<u>17,195</u>	<u>429,498</u>
Fund Balances:					
Nonspendable:					
Prepaid items	181,097	-	-	-	181,097
Deposits	9,867	-	-	-	9,867
Restricted for debt service	928,575	-	-	-	928,575
Restricted for repair and replacement reserves	245,000	-	-	-	245,000
Restricted for extracurricular activities	-	-	-	84,167	84,167
Unassigned	865,030	-	-	-	865,030
Total fund balances	<u>2,229,569</u>	<u>-</u>	<u>-</u>	<u>84,167</u>	<u>2,313,736</u>
Total liabilities and fund balances	<u>\$ 2,563,133</u>	<u>\$ 35,412</u>	<u>\$ 43,327</u>	<u>\$ 101,362</u>	<u>\$ 2,743,234</u>

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

Union Park Charter Academy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position (Deficit)
June 30, 2026

Total Fund Balances - Governmental Funds \$ 2,313,736

Amounts reported for governmental activities in the statement of net position (deficit) are different because:

The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position (deficit) includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.

Cost of capital assets	\$	13,595,499		
Accumulated depreciation and amortization		<u>(3,733,754)</u>		9,861,745

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.

Compensated absences	\$	(37,776)		
Accrued interest payable		(77,850)		
Note payable		(49,263)		
Bonds payable, net		(11,690,795)		
Lease payable		<u>(1,380,968)</u>		<u>(13,236,652)</u>

Net Position (Deficit) of Governmental Activities \$ (1,061,171)

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

Union Park 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	Club and Activities Fund	Total
Revenues:					
Federal sources	\$ -	\$ 246,099	\$ -	\$ -	\$ 246,099
State sources	6,480,512	2,381	527,772	-	7,010,665
Local sources	556,669	126,851	91,433	196,750	971,703
Interest income	77,579	-	-	2,306	79,885
Aftercare	238,680	-	-	-	238,680
Total revenues	<u>7,353,440</u>	<u>375,331</u>	<u>619,205</u>	<u>199,056</u>	<u>8,547,032</u>
Expenditures:					
Current:					
Instruction	3,526,441	1,587	-	-	3,528,028
Student support services	142,183	-	-	-	142,183
Instructional staff training services	54,819	33,825	-	-	88,644
Instruction-related technology	165,002	-	-	-	165,002
Board services	57,293	-	-	-	57,293
General administration	3,667	-	-	-	3,667
School administration	580,454	-	-	-	580,454
Fiscal services	1,032,435	-	-	-	1,032,435
Food services	22,871	339,919	-	-	362,790
Central services	41,484	-	-	-	41,484
Operation of plant	760,000	-	-	-	760,000
Maintenance of plant	208,975	-	-	-	208,975
Administrative technology services	60,017	-	-	-	60,017
Community services	142,240	-	-	-	142,240
Extracurricular activities	-	-	-	175,876	175,876
Capital outlay	132,117	-	-	-	132,117
Debt service:					
Principal	284,975	-	-	-	284,975
Interest	82,281	-	619,205	-	701,486
Total expenditures	<u>7,297,254</u>	<u>375,331</u>	<u>619,205</u>	<u>175,876</u>	<u>8,467,666</u>
Excess of revenues over expenditures	56,186	-	-	23,180	79,366
Other Financing Sources:					
Proceeds from note payable	<u>74,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,600</u>
Net change in fund balances	130,786	-	-	23,180	153,966
Fund Balances, July 1, 2025	<u>2,098,783</u>	<u>-</u>	<u>-</u>	<u>60,987</u>	<u>2,159,770</u>
Fund Balances, June 30, 2026	<u>\$ 2,229,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,167</u>	<u>\$ 2,313,736</u>

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

**Union Park 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 \$ 153,966

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 over their estimated useful lives as depreciation and amortization.

Capital outlays	\$	132,117	
Depreciation and amortization		<u>(400,654)</u>	(268,537)

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 (deficit).	284,975
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position (deficit).	(74,600)
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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	\$	(13,113)	
Change in accrued interest payable		(7,182)	
Amortization of bond discount		<u>(5,297)</u>	<u>(25,592)</u>

Change in Net Position (Deficit) of Governmental Activities	\$	<u>70,212</u>
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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. Union Park 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 Pasco County. There were 798 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, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Accordingly, these financial statements only include balances, activity and disclosures related to the School.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring Pasco County School District (the "District"). The current charter is effective until June 30, 2040, 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 Pasco County School 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 (deficit) and the statement of activities, present information about the School as a whole.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

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 one hundred and twenty 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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

Buildings	45 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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

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 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Date of management review: The School has evaluated subsequent events through August 27, 2026, which is the date that the financial statements were available to be issued.

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.

Note 3 - Cash and Cash Equivalents

At June 30, 2026, the carrying amount of the deposits and cash on hand totaled \$ 1,121,690 with a bank balance of \$ 1,137,092.

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 \$ 887,092 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

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

Due To/From Other Funds		Amount
Receivable Fund	Payable Fund	
General Fund	Grants Fund	\$ 35,412
General Fund	Capital Projects Fund	43,327
General Fund	Club and Activities Fund	17,195
		<u>\$ 95,934</u>

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 5 - Due From/To Related Parties

Due from/to related parties represents amounts that are due from FCEF and amounts that are due 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 Union Park Charter Academy (Note 9). 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 \$ 1,173,575 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 thirty-seven 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	Transfers	Balance at June 30, 2026
Capital assets being depreciated/ amortized:				
Building	\$ 10,077,824	\$ -	\$ -	\$ 10,077,824
Improvements other than building	174,708	2,491	-	177,199
Furniture, fixtures and equipment	927,167	25,197	-	952,364
Computer equipment	902,715	104,429	-	1,007,144
Lease assets:				
Land	1,380,968	-	-	1,380,968
Total capital assets being depreciated/amortized	13,463,382	132,117	-	13,595,499
Accumulated depreciation/ amortization:				
Building	1,493,011	223,952	-	1,716,963
Improvements other than building	28,484	17,737	-	46,221
Furniture, fixtures and equipment	807,272	44,270	-	851,542
Computer equipment	845,227	83,309	-	928,536
Lease assets:				
Land	159,106	31,386	-	190,492
Total accumulated depreciation/ amortization	3,333,100	400,654	-	3,733,754
Net capital assets being depreciated/amortized	\$ 10,130,282	\$ (268,537)	\$ -	\$ 9,861,745

Depreciation and amortization was charged to governmental activities as follows:

Instruction	\$ 44,270
Instruction-related technology	81,097
Operation of plant	273,075
Administrative technology services	2,212
Total	\$ 400,654

Note 8 - Note Payable

During the year, the School entered into a note payable agreement for the purchase of computer equipment. The note requires annual payments of principal and interest through August 2027 and bears interest at a rate of 1.90%.

Note 8 - Note Payable (continued)

The following is a schedule of the School's future payments under this agreement as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 24,400	\$ 936	\$ 25,336
2028	24,863	473	25,336
	<u>\$ 49,263</u>	<u>\$ 1,409</u>	<u>\$ 50,672</u>

Note 9 - Bonds Payable

Previously, the Capital Trust Agency (the "Agency") issued \$ 26,285,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2018A and \$ 770,000 in Taxable Educational Facilities Revenue Bonds, Series 2018B pursuant to an Indenture of Trust between the Agency 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 2018A Bonds bear interest at 4.500% through June 2028, then at 5.375% through June 2048. 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 Agency 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 2018 Bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 272,000	\$ 626,716	\$ 898,716
2028	284,365	614,365	898,730
2029	299,202	600,752	899,954
2030	314,038	584,471	898,509
2031	331,347	567,326	898,673
2032-2036	1,946,047	2,545,755	4,491,802
2037-2041	2,539,505	1,954,505	4,494,010
2042-2046	3,311,000	1,182,632	4,493,632
2047-2048	<u>2,509,832</u>	<u>194,380</u>	<u>2,704,212</u>
	<u>\$ 11,807,336</u>	<u>\$ 8,870,902</u>	<u>\$ 20,678,238</u>

Note 9 - Bonds Payable (continued)

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

Note 10 - Lease Payable

Concurrent with the Series 2018 Bond issuance (Note 9), Red Apple Development, LLC and subsidiaries ("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 implementation date of July 1, 2020. The discount rate used to recognize the lease asset and lease liability was 4.94%. For the year ended June 30, 2026, the School incurred interest expense of \$ 62,863 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 \$ 3,666 for the year ended June 30, 2026.

The following is a schedule of the School's future base rent payments as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	\$ -	\$ 64,121	\$ 64,121
2028	-	65,403	65,403
2029	-	66,711	66,711
2030	-	68,045	68,045
2031	-	69,406	69,406
2032-2036	-	368,416	368,416
2037-2041	-	406,761	406,761
2042-2046	78,229	341,121	419,350
2047-2051	185,036	291,514	476,550
2052-2056	293,868	227,757	521,625
2057-2061	439,053	131,077	570,130
2062-2064	384,782	16,271	401,053
	<u>\$ 1,380,968</u>	<u>\$ 2,116,603</u>	<u>\$ 3,497,571</u>

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 July 1, 2025	Additions	Deletions	Amortization	Balance June 30, 2026	Amount Due Within One Year
Series 2018 Educational Facilities Revenue						
Bonds, net of unamortized discount of \$ 116,541	\$ 11,945,136	\$ -	\$ 259,638	\$ 5,297	\$ 11,690,795	\$ 272,000
Lease - land	1,380,968				1,380,968	-
Note payable - computer equipment	-	74,600	25,337	-	49,263	24,400
Compensated absences	24,663	13,113 *	-	-	37,776	28,332
	<u>\$ 13,350,767</u>	<u>\$ 87,713</u>	<u>\$ 284,975</u>	<u>\$ 5,297</u>	<u>\$ 13,158,802</u>	<u>\$ 324,732</u>

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

Note 12 - Commitments

Management agreement: The School has a formal agreement with Charter Schools USA, Inc. at Pasco, LLC ("CSUSA") to manage, staff, and operate the School. The agreement has an initial term which expires in June 2028. It 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 9). The fee ranges from \$ 1,038,746 for fiscal year 2027 to \$ 1,574,393 for fiscal year 2048 as defined in the agreement and/or the budgeted amount approved by the Board of Directors based on enrollment and School performance. CSUSA received a management fee of \$ 1,018,379 for the year ended June 30, 2026.

The School has an amount of \$ 24,837 due from 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 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.

Note 13 - Employee Benefit Plan (continued)

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:

<u>Years of Service</u>	<u>Vesting Percentage</u>
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 \$ 1,312. For the year ended June 30, 2026, the School contributed a matching amount of \$ 19,298.

Note 14 - 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 \$ 527,772 for the 2025/2026 school year which has been recognized as revenue in the accompanying 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 the interest expenditure on the bonds payable.

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 award totaled \$ 91,433 for the 2025/2026 school year which has been recognized as revenue in the accompanying financial statements.

Note 15 - 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 four years.

As disclosed in Note 12, 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

Union Park 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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Original vs. Final Budget Variance</u>	<u>Actual</u>	<u>Actual vs. Final Budget Variance</u>
Revenues:					
State sources	\$ 6,500,131	\$ 6,482,507	\$ (17,624)	\$ 6,480,512	\$ (1,995)
Local sources	548,992	554,042	5,050	556,669	2,627
Interest income	82,712	76,550	(6,162)	77,579	1,029
Aftercare	185,052	233,508	48,456	238,680	5,172
Total revenues	<u>7,316,887</u>	<u>7,346,607</u>	<u>29,720</u>	<u>7,353,440</u>	<u>6,833</u>
Expenditures:					
Current:					
Instruction	4,073,756	3,470,851	(602,905)	3,526,441	(55,590)
Student support services	74,796	367,202	292,406	142,183	225,019
Instructional staff training services	27,495	40,567	13,072	54,819	(14,252)
Instruction-related technology	161,011	160,398	(613)	165,002	(4,604)
Board services	69,842	33,567	(36,275)	57,293	(23,726)
General administration	-	-	-	3,667	(3,667)
School administration	362,855	570,927	208,072	580,454	(9,527)
Fiscal services	1,018,379	1,029,724	11,345	1,032,435	(2,711)
Food services	55,227	21,854	(33,373)	22,871	(1,017)
Central services	113,734	42,690	(71,044)	41,484	1,206
Transportation services	888	-	(888)	-	-
Operation of plant	684,551	807,197	122,646	760,000	47,197
Maintenance of plant	273,064	222,940	(50,124)	208,975	13,965
Administrative technology services	-	-	-	60,017	(60,017)
Community services	15,236	161,970	146,734	142,240	19,730
Capital outlay	192,721	168,815	(23,906)	132,117	36,698
Debt service:					
Principal	142,579	284,975	142,396	284,975	-
Interest	-	76,909	76,909	82,281	(5,372)
Total expenditures	<u>7,266,134</u>	<u>7,460,586</u>	<u>194,452</u>	<u>7,297,254</u>	<u>163,332</u>
Excess (deficiency) of revenues over expenditures	50,753	(113,979)	(164,732)	56,186	170,165
Other Financing Sources:					
Proceeds from note payable	<u>77,664</u>	<u>74,600</u>	<u>(3,064)</u>	<u>74,600</u>	<u>-</u>
Net change in fund balance	\$ <u>128,417</u>	\$ <u>(39,379)</u>	\$ <u>(167,796)</u>	130,786	\$ <u>170,165</u>
Fund Balance, July 1, 2025				<u>2,098,783</u>	
Fund Balance, June 30, 2026				<u>\$ 2,229,569</u>	

See accompanying notes to budgetary comparison schedules.

Union Park 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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Original vs. Final Budget Variance</u>	<u>Actual</u>	<u>Actual vs. Final Budget Variance</u>
Revenues:					
Federal sources:					
National School Lunch Program	\$ 216,519	\$ 216,433	\$ (86)	\$ 210,687	\$ (5,746)
Title II	18,297	24,208	5,911	20,967	(3,241)
Title IV	14,000	11,470	(2,530)	14,445	2,975
State sources:					
National School Lunch Program	-	-	-	2,381	2,381
Local sources:					
Cafeteria sales	-	120,144	120,144	126,851	6,707
Total revenues	<u>248,816</u>	<u>372,255</u>	<u>123,439</u>	<u>375,331</u>	<u>3,076</u>
Expenditures:					
Current:					
Instruction	-	-	-	1,587	(1,587)
Student support services	14,000	-	(14,000)	-	-
Instructional staff training services	18,297	35,678	17,381	33,825	1,853
Food services	<u>216,519</u>	<u>336,577</u>	<u>120,058</u>	<u>339,919</u>	<u>(3,342)</u>
Total expenditures	<u>248,816</u>	<u>372,255</u>	<u>123,439</u>	<u>375,331</u>	<u>(3,076)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance, July 1, 2025				<u>-</u>	
Fund Balance, June 30, 2026				<u>\$ -</u>	

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 and the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting used in the preparation of the financial statements. All appropriations lapse at the end of the fiscal year.

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 - Budgetary Highlights between Original Budget and Final Budget

In the General Fund, final budgeted revenues were higher than the original budget for the year ended June 30, 2026, primarily due to aftercare revenues exceeding the original budget as a result of higher than anticipated student participation in the program. This increase was partially offset by lower budgeted state source revenues as a result of lower projected and a lower FEFP rate per student. Final budgeted expenditures exceeded the original budget primarily due to increases in student support and school administration expenditures resulting from substitute teacher costs and increased aftercare wages related to greater participation in the aftercare program. In addition, School Recognition bonus expenditures were not included in the original budget.

In the Grants Fund, final budgeted revenues were higher than the original budget for the year ended June 30, 2026, primarily due to an upward revision in student paid meal revenue. Final budgeted expenditures were higher than the original budget primarily due to increased food service costs associated with serving a greater number of meals.

Note 3 - Budgetary Highlights between Actual Results and Final Budget

In the General Fund, total expenditures were favorable compared to the final budget, primarily due to lower-than-budgeted student support and operation of plant costs associated with savings in personnel costs. These favorable variances were partially offset by unfavorable variances in various categories including instruction, instructional staff training services, board services, school administration and administrative technology services, which resulted from the need for additional support staff and increased overhead-related expenditures, as well as debt service costs being larger than projected.

In the Grants Fund, actual amounts compared to final budget were consistent at the end of the year.

Note 4 - Excesses of Expenditures over Appropriations

In the Grants Fund, expenditures for the year ended June 30, 2026, exceeded appropriations by \$ 3,076. These over-expenditures were funded by greater than anticipated revenues.

OTHER INDEPENDENT AUDITOR'S REPORTS

**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
Union Park Charter Academy
Wesley Chapel, 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 Union Park Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Pasco County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 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.

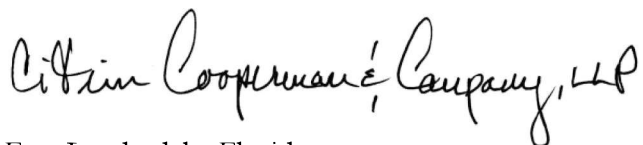
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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.

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
August 27, 2026

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

To the Board of Directors
Union Park Charter Academy
Wesley Chapel, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Union Park Charter Academy (the "School"), Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated August 27, 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 August 27, 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 entity are Union Park Charter Academy and 514330.

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 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

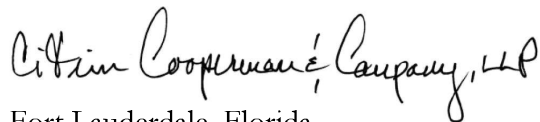
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Fort Lauderdale, Florida
August 27, 2026