HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Pinecrest Academy (South Campus)
WL# 0342
(A Charter School under Pinecrest Academy, Inc.)

Miami, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2023

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Pinecrest Academy (South Campus)
WL# 0342

15130 SW 80th Street
Miami, FL 33193

2022-2023

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HLB GRAVIER, LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pinecrest Academy (South Campus)
Miami, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of Pinecrest Academy (South Campus) (the "School"), a charter school under Pinecrest Academy, Inc. as of, and for the year ended June 30, 2023, 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, 2023, 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 Pinecrest Academy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of the School that is attributable to the transactions of the School and is not intended to be a complete presentation of Pinecrest Academy, Inc. These financial statements do not purport to, and do not, present fairly the financial position of Pinecrest Academy, Inc., as of June 30, 2023 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and 29 through 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Coral Gables, Florida
September 15, 2023

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
Pinecrest Academy (South Campus)
(A Charter school Under Pinecrest Academy, Inc.)
June 30, 2023

The corporate officers of Pinecrest Academy (South Campus) have prepared this narrative overview and analysis of the school's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

1. The net position of the School at June 30, 2023 was $6,924,366.
2. At year-end, the School had current assets on hand of $4,956,904.
3. The School had an increase in its net position of $667,310 during the year ended June 30, 2023.
4. The unassigned fund balance at year end was $3,045,047.

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, 2023 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 deferred outflows of resources and liabilities and deferred inflows of resources. The difference between the four 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 when the underlying event 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 10 – 11 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. 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.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12 - 15 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 16 - 28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. Assets exceeded liabilities by $6,924,366 at the close of the fiscal year. A summary of the School's net position as of June 30, 2023 and 2022 is as follows:

	2023	2022
Cash	$ 269,802	$ 292,521
Investments	2,950,000	3,110,000
Due from other agencies	1,549,636	830,432
Prepaid expenses and other current assets	187,466	60,525
Capital and right-of-use capital assets, net	4,247,778	5,039,734
Due from Pinecrest Academy, Inc.	1,000,000	1,000,000
Total Assets	10,204,682	10,333,212
Deferred outflows of resources	-	-
Accounts payable and accrued expenses	51,097	263,859
Salaries and wages payable	294,232	292,298
Deferred revenue	177,292	-
Lease liability	2,686,969	3,519,999
Deferred rent	70,726	-
Total Liabilities	3,280,316	4,076,156
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	1,490,083	2,519,735
Unrestricted	5,434,283	3,737,321
Total Net Position	$ 6,924,366	$ 6,257,056

At the end of both years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
REVENUES		
Program Revenues		
Capital grants and contributions	$ 482,747	$ 508,866
Charges for Services	737,862	623,645
Federal sources	1,752,183	753,571
General Revenues		
Local Sources (FTE and other non specific)	6,584,309	5,722,332
Other Revenues	123,870	22,795
Total Revenues	$ 9,680,971	$ 7,631,209
EXPENSES		
Governmental Activities:		
Instruction	$ 4,689,313	$ 3,870,142
Student support services	86,118	82,670
Instructional staff training	40,227	35,012
Board	28,279	41,690
School administration	900,552	771,161
Facilities acquisition	2,853	9,530
Fiscal services	112,650	112,500
Food services	521,543	342,999
Central services	142,698	135,886
Operation of plant	1,806,728	1,663,445
Maintenance of plant	327,691	162,971
Administrative technology services	-	31,325
Community services	198,558	173,285
Debt service	156,451	195,872
Total Expenses	9,013,661	7,628,488
Change in Net Position	667,310	2,721
Net Position at Beginning of Year	6,257,056	6,254,335
Net Position at End of Year	$ 6,924,366	$ 6,257,056

During the year, the School's revenues and expenses increased by $2,049,762 and $1,385,173, respectively. The School had an increase in its net position of $667,310.

School Location and Lease of Facility
The School leases facilities located at 15130 S.W. 80th Street, Miami, Florida 33193.

Capital Improvement Requirements
The School maintains a continuous capital improvement 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, the *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.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $3,232,513. The fund balance unassigned and available for spending at the School's discretion is $3,045,047. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2023 amounts to $1,687,345 (net of accumulated depreciation) and right of use lease asset (building) $2,560,433 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), leasehold improvements audiovisual and software and furniture, fixtures and computer equipment. As of June 30, 2023, the School had long-term liabilities of $2,757,695 associated with its capital assets.

Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	$ 428,175	$ 480,998	$ 482,747
Lunch program	282,041	470,987	471,958
Federal sources	1,149,636	648,003	957,721
General Revenues			
FTE and other nonspecific revenues	6,898,733	6,580,408	6,584,309
Charges and other revenues	705,500	732,762	737,192
Total Revenues	$ 9,464,085	$ 8,913,158	$ 9,233,927
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	$ 4,327,051	$ 4,607,654	$ 4,599,963
Student support services	67,484	88,058	86,118
Instructional staff training	40,464	42,994	40,227
Board	45,694	19,667	28,279
School administration	902,953	901,811	897,152
Facilities acquisition	116,775	114,008	112,650
Food services	282,041	514,008	512,870
Central services	142,775	144,078	142,698
Operation of plant	714,684	805,607	803,375
Maintenance of plant	310,000	308,992	307,324
Community services	200,000	217,885	198,558
Total Current Expenditures	$ 7,149,921	$ 7,764,762	$ 7,729,214

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities
Assets	
Current Assets:	
Cash	$ 269,802
Investments	2,950,000
Due from other agencies	1,549,636
Prepaid expenses and other current assets	187,466
Total current assets	4,956,904
Capital assets, depreciable	2,539,650
Less: accumulated depreciation	(852,305)
Right-of-use lease asset	4,267,388
Less: accumulated amortization	(1,706,955)
Total capital assets, net	4,247,778
Due from Pinecrest Academy, Inc.	1,000,000
Total Assets	10,204,682
Deferred Outflows of Resources	-
Liabilities	
Current Liabilities:	
Accounts payable and accrued expenses	51,097
Salaries and wages payable	294,232
Deferred revenue	177,292
Lease liability, current	851,357
Total current liabilities	1,373,978
Deferred rent	70,726
Lease liability	1,835,612
Total Liabilities	3,280,316
Deferred Inflows of Resources	-
Net Position:	
Net investment in capital assets	1,490,083
Unrestricted	5,434,283
Total Net Position	$ 6,924,366

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

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Statement of Activities
For the year ended June 30, 2023

		Program Revenues			
Primary Government	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
Governmental Activities:					
Instruction	$ 4,689,313	$ 284,861	$ 1,071,246	$ -	$ (3,333,206)
Student support services	86,118	-	-	-	(86,118)
Instructional staff training	40,227	-	27,975	-	(12,252)
Board	28,279	-	-	-	(28,279)
School administration	900,552	-	121,281	-	(779,271)
Facilities acquisition	2,853	-	-	-	(2,853)
Fiscal services	112,650	-	-	-	(112,650)
Food services	521,543	124,540	347,418	-	(49,585)
Central services	142,698	-	-	-	(142,698)
Operation of plant	1,806,728	108,818	184,263	482,747	(1,030,900)
Maintenance of plant	327,691	-	-	-	(327,691)
Community services	198,558	219,643	-	-	21,085
Debt service	156,451	-	-	-	(156,451)
Total Governmental Activities	9,013,661	737,862	1,752,183	482,747	(6,040,869)

General revenues:	
FTE and other nonspecific revenues	6,584,309
Interest and other revenues	123,870
Change in net position	667,310
Net position, beginning	6,257,056
Net position, ending	$ 6,924,366

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

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 246,515	$ 23,287	$ -	$ 269,802
Investments	2,950,000	-	-	2,950,000
Prepaid expenses and other current assets	187,466	-	-	187,466
Due from other agencies	-	338,066	33,087	371,153
Due from other funds	371,153	-	-	371,153
Total Assets	3,755,134	361,353	33,087	4,149,574
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable and accrued expenses	51,097	-	-	51,097
Deferred revenue	177,292	-	-	177,292
Salaries and wages payable	294,232	-	-	294,232
Due to other funds	-	338,066	33,087	371,153
Total Liabilities	522,621	338,066	33,087	893,774
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	187,466	-	-	187,466
Assigned	-	23,287	-	23,287
Unassigned	3,045,047	-	-	3,045,047
	3,232,513	23,287	-	3,255,800
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,755,134	$ 361,353	$ 33,087	$ 4,149,574

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

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Funds		$ 3,255,800
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, depreciable	2,539,650	
Less: accumulated depreciation	(852,305)	
Right-of-use lease asset	4,267,388	
Less: accumulated amortization	(1,706,955)	4,247,778
Receivables in governmental activities that available are not current financial resources and therefore are not reported in the governmental funds.		1,178,483
Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(2,757,695)
Long term receivables from Pinecrest Academy, Inc. used in governmental activities are not financial resources and therefore are not reported in the fund.		1,000,000
Total Net Position - Governmental Activities		$ 6,924,366

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

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
State capital outlay funding	$ -	$ -	$ 482,747	$ 482,747
State passed through local and other local	6,584,309	-	-	6,584,309
Federal resource	-	957,721	-	957,721
Lunch program	-	471,958	-	471,958
Charges for services	393,679	219,643	-	613,322
Interest and other revenue	123,870	-	-	123,870
Total Revenues	7,101,858	1,649,322	482,747	9,233,927
Expenditures:				
Current				
Instruction	3,545,468	1,054,495	-	4,599,963
Student support services	86,118	-	-	86,118
Instructional staff training services	12,252	27,975	-	40,227
Board	28,279	-	-	28,279
School administration	775,871	121,281	-	897,152
Fiscal services	112,650	-	-	112,650
Food services	-	512,870	-	512,870
Central services	142,698	-	-	142,698
Operation of plant	619,112	184,263	-	803,375
Maintenance of plant	307,324	-	-	307,324
Community services	-	198,558	-	198,558
Capital outlay:				
Other capital outlay	271,673	16,751	-	288,424
Debt Service:				
Redemption of Principal	-	-	809,920	809,920
Interest	-	-	156,451	156,451
Total Expenditures	5,901,445	2,116,193	966,371	8,984,009
Excess (Deficit) of Revenues Over Expenditures	1,200,413	(466,871)	(483,624)	249,918
Other financing sources				
Transfers in and (out)	(971,580)	487,956	483,624	-
Net change in fund balance	228,833	21,085	-	249,918
Fund Balance at beginning of year	3,003,680	2,202	-	3,005,882
Fund Balance at end of year	$ 3,232,513	$ 23,287	$ -	$ 3,255,800

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

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Change in Fund Balance - Governmental Funds		$ 249,918
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. These amounts for the year were as follows:		
Capital Outlay	288,424	
Depreciation and amortization expense	(1,080,380)	(791,956)
Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds.		447,044
Increase in long-term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Long-term liabilities issued		(47,616)
Principal payments on long-term liabilities		809,920
Change in Net Position of Governmental Activities		$ 667,310

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Pinecrest Academy (South Campus) (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The Schools' charter is held by Pinecrest Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Pinecrest Academy, Inc., which is composed of six members and also governs other charter schools. The board of directors has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2031 and it can be renewed in accordance with the law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School's location is in Miami, Florida for children from kindergarten through fifth grade and is funded by the District. These financial statements are for the year ended June 30, 2023, when on average a total of approximately 750 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Note 1 – Summary of Significant Accounting Policies (continued)

Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

Fund Financial Statements
Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

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

Special Revenue Fund – accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

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

Measurement Focus and Basis of Accounting
The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*. The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application,* and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Note 1 – Summary of Significant Accounting Policies (continued)

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

Due from Other Governments or Agencies
Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

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

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

Capital Assets
The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the government-wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right of use assets are initially measure 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 of use assets are amortized on a straight-line basis over the life of the related lease.

Note 1 – Summary of Significant Accounting Policies (continued)

Estimated useful lives, in years, for depreciable assets are as follows:

Right of use asset (building)	4 Years
Building and Improvements	20 - 30 Years
Furniture and Equipment	5 Years
Textbooks and Software	3 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. There is an opportunity to "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year.

Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years. The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classifications

Government-wide financial statements

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

a) Net investment in capital assets- consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
b) Restricted net position - consists of balances with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.

Note 1 – Summary of Significant Accounting Policies (continued)

c) Unrestricted net position - all other balances that do not meet the definition of "restricted" or "net investment in capital assets and long-term receivables."

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements
GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions,* defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses (unless the proceeds are restricted, committed, or assigned). All nonspendable fund balances at year end relate to not in spendable form assets.
b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance pertains to the School's internal account.
e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

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

Income Taxes
Pinecrest Academy, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 15, 2023, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted

In fiscal year 2023, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The adoption had no effect on the School's 2023 financial statements.

Pronouncements Issued But Not Yet Effective

GASB has issued GASBS Statement No. 101, Compensating Absences. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Note 2 – Cash and Investments

Deposits

The School maintains its cash in two financial institutions. Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under Pinecrest Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Pinecrest Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2023, bank balances in potential excess of FDIC coverage was approximately $327,000.

Note 2 – Cash and Investments (continued)

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets: Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2023, the School had $3,360,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2023, maturities of the fund's portfolio holdings are approximately 91% within 30 days.

Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

As of June 30, 2023, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Note 3 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2023:

	Balance 07/01/22	Additions	Retirements/ Reclassifications	Balance 06/30/23
Capital Assets, depreciable:				
Buildings and improvements	$ 1,577,014	$ 256,462	$ -	$ 1,833,476
Audiovisual and software	208,284	7,122	(3,975)	211,431
Furniture, equipment and textbooks	762,855	24,840	(292,952)	494,743
Total Capital Assets	$ 2,548,153	$ 288,424	$ (296,927)	$ 2,539,650
Less Accumulated Depreciation:				
Buildings and improvements	$ (245,191)	$ (130,029)	$ -	$ (375,220)
Audiovisual and software	(154,892)	(26,909)	3,975	(177,826)
Furniture, equipment and textbooks	(522,248)	(69,963)	292,952	(299,259)
Total Accumulated Depreciation	$ (922,331)	$ (226,901)	$ 296,927	$ (852,305)
Total Capital Assets, being depreciated net	$ 1,625,822	$ 61,523	$ -	$ 1,687,345
Lease Assets:				
Right of use lease asset (building)	$ 4,267,388	$ -	$ -	$ 4,267,388
Less accumulated amortization	(853,476)	(853,479)	-	(1,706,955)
Total Lease Assets being amortized, net	3,413,912	(853,479)	-	2,560,433
Governmental Activities Capital Assets, net	$ 5,039,734	$ (791,956)	$ -	$ 4,247,778

For the fiscal year ended June 30, 2023, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	$ 89,350	$ -
Facilities acquisition	2,853	-
School Administration	3,400	-
Food services	8,673	-
Operation of plant	102,258	853,479
Maintenance of plant	20,367	-
Total Expense	$ 226,901	$ 853,479

Note 4 – Education Service and Support Provider

Academica Dade, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis.

The agreement with Pinecrest Academy, Inc. through June 30, 2028, and unless terminated by the board will have the option to renew for an additional five-year period. During the year ended June 30, 2023, the School incurred $337,950.

Note 5 – Transactions with Other Divisions of Pinecrest Academy, Inc.

The School made long term, non-interest bearing advances to Pinecrest Academy, Inc. with no stated maturity date. The outstanding balance at June 30, 2023 was as follows:

	Balance 07/01/22	Additions	Collections	Balance 06/30/23
Pinecrest Academy, Inc.	$ 1,000,000	$ -	$ -	$ 1,000,000
Total Long Term Receivables	$ 1,000,000	$ -	$ -	$ 1,000,000

Pinecrest Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid Pinecrest Academy, Inc. $112,575 in connection with these charges during the year.

Note 6 - Interfund Transfers

Interfund transfers in government funds as of June 30, 2023 consists of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To fund lunch deficit	$ (40,912)	$ 40,912	$ -
To fund federal expenditures for which revenues were not collected	(447,044)	447,044	-
To fund debt service payments	(483,624)	-	483,624
Total Transfers, net	$ (971,580)	$ 487,956	$ 483,624

Due from/(Due to) fund balances are as follows:

Due to General Fund from Capital Projects Fund for capital outlay	$ 33,087	$ -	$ (33,087)
Due to General Fund from Special Revenue Fund for Title IV and ESSER grants	338,066	(338,066)	-
Total Due from/(Due to)	$ 371,153	$ (338,066)	$ (33,087)

Note 7 – Long Term Liabilities with Related Party

The School entered into a lease and security agreement with Kendall Greens, LLC for its 52,396 square feet main campus facility including all ancillary facilities, outdoor areas and other improvements. The landlord is an affiliate of the School's education service and support provider (See note 4). Initial fixed annual payments under this agreement are approximately $721,000 adjusted annually based on the Consumer Price Index (CPI) plus additional property expenses including repairs, maintenance and insurance. The agreement continues through July 31, 2026 with an option to renew for an additional five-year term. Under the agreement, the School must meet certain covenants and requirements, including a "Lease Payment Coverage Ratio" of not less than 1.10 to 1.00. Finally, under this agreement the School has granted a first lien on its pledged revenues, which include all revenues collected by the school from the Florida Department of Education, the District, and all other sources.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The School used an average effective interest for several borrowings during fiscal year 2021 and 2022. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability.

For the year ended June 30, 2023, interest expense totaled $853,478, as it relates to its lease agreement. For the year ended June 30, 2023, variable and other payments of $137,202 in connection with the lease agreement not previously included in the measurement of the lease liability were recorded in rent expense.

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

Year	Principal	Interest	Total
2024	$ 851,356	$ 115,014	$ 966,370
2025	894,914	71,457	966,371
2026	940,699	25,671	966,370
	$ 2,686,969	$ 212,142	$ 2,899,111

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

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Lease liability - building	$ 3,496,889	$ -	$ (809,920)	$ 2,686,969
Deferred rent	23,110	47,616	-	70,726
	$ 3,519,999	$ 47,616	$ (809,920)	$ 2,757,695

Note 8 - Contingencies and Concentrations

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations.

Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2023, administrative fees withheld by the School District totaled $38,694.

Note 9 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

Note 10 – Defined Contribution Retirement Plan

The School’s personnel, who are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 100% of the employees contribution up to 4% of the employee’s compensation. The School contributed to the Plan $95,487 for the year ended June 30, 2023. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya Financial.

REQUIRED SUPPLEMENTARY INFORMATION

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local and other local	$ 6,898,733	$ 6,580,408	$ 6,584,309
Charges for services	385,000	392,782	393,679
Interest and other revenues	120,500	122,095	123,870
Total Revenues	7,404,233	7,095,285	7,101,858
EXPENDITURES			
Current:			
Instruction	3,479,879	3,549,088	3,545,468
Student support services	67,484	88,058	86,118
Instructional Staff training Services	13,000	14,002	12,252
Board	45,694	19,667	28,279
School Administration	777,953	778,909	775,871
Fiscal Services	116,775	114,008	112,650
Central Services	142,775	144,078	142,698
Maintenance of Plant	310,000	308,992	307,324
Operation of Plant	564,684	620,002	619,112
Total Current Expenditures	5,518,244	5,636,804	5,629,772
Excess of Revenues Over Current Expenditures	1,885,989	1,458,481	1,472,086
Capital Outlay:			
Other Capital Outlay	250,000	272,000	271,673
Total Expenditures	5,768,244	5,908,804	5,901,445
Excess (Deficit) of Revenues Over Expenditures	1,635,989	1,186,481	1,200,413
Other Financing Sources			
Transfers in (out)	(538,196)	(1,294,456)	(971,580)
Net Change in fund balance	1,097,793	(107,975)	228,833
Fund Balance at beginning of year	3,003,680	3,003,680	3,003,680
Fund Balance at end of year	$ 4,101,473	$ 2,895,705	$ 3,232,513

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Pinecrest Academy (South Campus)
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal resource	$ 1,149,636	$ 648,003	$ 957,721
Lunch program	282,041	470,987	471,958
Charges for services	200,000	217,885	219,643
Total Revenues	1,631,677	1,336,875	1,649,322
EXPENDITURES			
Current:			
Instruction	847,172	1,058,566	1,054,495
Instructional staff training services	27,464	28,992	27,975
School administration	125,000	122,902	121,281
Food Services	282,041	514,008	512,870
Operation of Plant	150,000	185,605	184,263
Community services	200,000	217,885	198,558
Total Current Expenditures	1,631,677	2,127,958	2,099,442
Deficit of Revenues Over Current Expenditures	-	(791,083)	(450,120)
Capital Outlay:			
Other Capital Outlay	-	18,000	16,751
Total Expenditures	1,631,677	2,145,958	2,116,193
Excess (Deficit) of Revenues Over Expenditures	-	(809,083)	(466,871)
Other financing sources:			
Transfers in (out)	-	809,083	487,956
Net change in fund balance	-	-	21,085
Fund Balance at beginning of year	2,202	2,202	2,202
Fund Balance at end of year	$ 2,202	$ 2,202	$ 23,287

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors of
Pinecrest Academy (South Campus)
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 Pinecrest Academy (South Campus) (the "School") as of, and for the year ended June 30, 2023, 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 15, 2023.

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 were not identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter dated September 15, 2023 pursuant to Chapter 10.850, Rules of the Auditor General.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2023

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

Board of Directors of
Pinecrest Academy (South Campus)
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Pinecrest Academy (South Campus), Miami, Florida as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated September 15, 2023.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules which are dated September 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendation made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Pinecrest Academy (South Campus), 0342.

Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Pinecrest Academy (South Campus) has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Pinecrest Academy (South Campus) did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the result of our as to whether Pinecrest Academy (South Campus) maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Pinecrest Academy (South Campus) 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 note any such findings.

Purpose of this Letter

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

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2023