Mason Classical Academy, Inc.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Financial Statements
with Independent Auditor's Reports Thereon

June 30, 2026

M&A McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	Page
Management's Discussion and Analysis	1 – 6
Independent Auditor's Report	7 – 9
Basic Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – General Fund	12
Reconciliation of the General Fund Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16 – 28
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	29
Budgetary Comparison Schedule – Special Revenue Fund	30
Other Matters Supplementary Information:	
Calculation of Debt Covenants	31
Calculation of Days Cash on Hand	32
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*	33 – 34
Additional Information Required by Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*:	
Management Letter	35 – 37

MASON CLASSICAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Mason Classical Academy (the "School"), offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2026. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2026, the School's expenses exceeded revenues by approximately $689,000.
- For the fiscal year ended June 30, 2026, the School ended with a net position of $5.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information to enhance the reader's understanding of the financial condition of School. This document also includes the 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,* as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, Audits of Charter Schools and Similar Entities.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole. The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include the School's basic services. The business-type activities are those that the School charges for certain services. For the year ended June 30, 2026, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities. The School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what money left at year-end is available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting.* This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. The budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2026 is summarized as follows:

Assets:	**2026**	**2025**	**Change**
Current assets	$ 6,883,239	$ 5,756,092	$ 1,127,147
Cash and equivalents – restricted for bond	24,656,533	57,529,459	(32,872,926)
Right to use asset, net	2,639,512	3,299,390	(659,878)
Capital assets, net	62,022,190	30,404,288	31,617,902
Total Assets	96,201,474	96,989,229	(787,755)
Liabilities:			
Current liabilities	1,311,285	933,413	377,872
Accrued interest – bond	365,436	365,436	-
Long-term liabilities	89,133,057	89,609,390	(476,333)
Total Liabilities	90,809,778	90,908,239	(98,461)
Net position:			
Invested in capital assets, net of related debt	(24,364,809)	(55,905,712)	31,540,903
Restricted	24,780,777	57,653,703	(32,872,926)
Unrestricted	4,975,728	4,332,999	642,729
Total Net Position	$ 5,391,696	$ 6,080,990	$ (689,294)

The decrease in cash and equivalents – restricted for bond relates to the cash restricted for the bonds. The net increase in capital assets is due the increase in construction in progress account and continued expansion of the School facilities. Total net position decreased due to current year operating loss, which was primarily driven by increase in construction expenses.

Change in Net Position

The School's total expenses exceeded revenues by approximately $ 689,000 in fiscal 2026—see table below.

	Governmental Activities		
	2026	2025	Change
Revenue:			
Federal sources passed through local school district	$ 4,020	$ 11,457	$ (7,437)
State and local sources	19,486,654	18,634,571	852,083
Interest and net gain (loss) on bond funds	1,533,116	2,029,049	(495,933)
Contributions and other revenue	1,390,290	984,026	406,264
Total revenues	22,410,060	21,659,103	754,987
Expenses:			
Instruction	9,597,516	9,156,288	441,228
Pupil personnel services	331,399	313,044	18,355
Instructional media services	376,211	440,507	(64,296)
Board	363,952	894,208	(530,256)
General administration	52,671	51,616	1,055
School administration	3,378,498	2,951,762	426,736
Facility acquisition and construction	22,296	44,805	(22,509)
Fiscal services	58,697	74,328	(15,631)
Food services	742,825	705,258	37,567
Transportation services	290,853	224,736	66,117
Operation of plant	3,346,217	3,378,764	(32,547)
Community service	500	-	500
Bond issuance costs	-	3,377,964	(3,377,964)
Interest	4,537,719	3,782,896	754,823
Total expenses	23,099,354	25,396,176	(2,296,822)
Change in net position	$ (689,294)	$ (3,737,073)	$ 3,051,809

Instructional and school administrative expenses increased due to the increase in student population. Board expenses have decreased due to less professional services this year. Bond interest increased in connection with the continued use of Series 2024 bonds in August of 2024.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

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

As the School completed the year, its governmental funds reported a combined fund balance of approximately $30 million, and an unassigned fund balance of approximately $5.2 million.

General Fund Budgetary Highlights

During the fiscal year, the School did not amend to its general fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize changes in funding amounts; and 3) changes in appropriations that become necessary to maintain services.

In the general fund, actual revenues were less than budgeted amounts by approximately $120,000, due to less school recognition funds and other revenues versus budget. Actual expenditures were approximately $100,000 less than budgeted amounts, exclusive of other financing sources mainly due to less board and operation of plant expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal 2026, the School had invested approximately $62 million in capital assets, net of accumulated depreciation of approximately $5.8 million.

	Governmental Activities		Increase (Decreases)
	2026	2025	
Land	$ 10,050,000	$ 10,050,000	$ -
Buildings	11,354,161	11,354,161	-
Leasehold improvements	4,682,025	4,652,022	30,003
Construction in progress	40,190,771	8,188,218	32,002,553
Furniture, fixtures and equipment	1,517,747	1,148,932	368,815
	67,794,704	35,393,333	32,401,371
Less - accumulated depreciation	(5,772,514)	(4,989,045)	(783,469)
Total capital assets net	$ 62,022,190	$ 30,404,288	$ 31,617,902

Construction on the new property is expected to continue through the 2026-27 school year. There were no disposals of the School's capital assets in 2026. More detailed information about capital assets is presented in Note 3 to the financial statements.

Lease Asset and Liabilities

The School's right to use asset for the year ended June 30, 2026 of $3.3 million, net of accumulated amortization of $650,000 is related to the facility lease.

The School's lease obligation for the year ended June 30, 2026 of $2.6 million is related to the School's facility lease. Interest paid on the lease obligation during fiscal year June 30, 2026 was approximately $150,000. More detailed information about the School's lease obligation is presented in Note 4 to the financial statements.

Long-term Liabilities

The School issued $86.3 million in bonds in the prior year. Prior notes payable were paid in full with proceeds from this bond issuance. The school incurred approximately $4.5 million of interest during fiscal year ended June 30, 2026. More detailed information about the School's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ended June 30, 2027

Amounts available for appropriation in the general fund are approximately $27.3 million, a increase from the actual 2026 amount. The change is due to a less conservative budgeting for state funding and other revenue sources as compared to the end of fiscal 2026.

Budgeted expenditures in the general fund are approximately $25.8 million for 2026. The increase is primarily due to a budgeted increase in instructional costs.

If these estimates are realized, the School's general fund balance is expected to increase in fiscal year ending June 30, 2027.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 3073 Horseshoe Dr. S. Ste 104 Naples, FL 34104.

McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mason Classical Academy, Inc.
a Charter School and Component Unit of the District
School Board of Collier County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund information of the Mason Classical Academy, Inc. (the "School"), a Charter School and Component Unit of the District School Board of Collier County, Florida as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the 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 information of the Mason Classical Academy, Inc., a Charter School and Component Unit of the District School Board of Collier County, Florida as of and for the year ended June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Mason Classical Academy, Inc.'s basic financial statements. The accompanying supplementary information listed in the table of contents as "debt covenants" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of debt covenants are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 28, 2026

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Statement of Net Position

June 30, 2026	Governmental Activities
Assets	
Cash and cash equivalents	$ 6,536,247
Cash and cash equivalents - restricted for bond	24,656,533
Securities	8,098
Due from other agencies	85,366
Other current assets	253,528
Right to use asset:	
Right to use asset - property lease	3,299,390
Less accumulated amortization	(659,878)
Total right to use asset, net	2,639,512
Capital assets:	
Land	10,050,000
Buildings	11,354,161
Leasehold improvements	4,682,025
Furniture, fixtures and equipment	1,517,747
Construction in progress	40,190,771
Less accumulated depreciation	(5,772,514)
Total capital assets, net	62,022,190
Total assets	$ 96,201,474
Liabilities	
Accounts payable and accrued expenses	$ 1,311,285
Accrued interest - bond	365,436
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	75,000
Lease obligation	603,306
Portion due or payable after one year:	
Bond payable	86,311,999
Lease obligation	2,142,752
Total liabilities	90,809,778
Net Position	
Invested in capital assets, net of related debt	(24,364,809)
Restricted for:	
Capital projects	24,656,533
Capital outlays	124,244
Unrestricted	4,975,728
Total net position	5,391,696
Total liabilities and net position	$ 96,201,474

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Statement of Activities

For the Year Ended June 30, 2026

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	$ 9,597,516	$ -	$ 4,020	$ -	$ (9,593,496)	$ (9,593,496)
Pupil personnel services	331,399	-	-	-	(331,399)	(331,399)
Instructional media services	376,211	-	-	-	(376,211)	(376,211)
Board	363,952	-	-	-	(363,952)	(363,952)
General administration	52,671	-	-	-	(52,671)	(52,671)
School administration	3,378,498	-	-	-	(3,378,498)	(3,378,498)
Facility acquisition and construction	22,296	-	-	-	(22,296)	(22,296)
Fiscal services	58,697	-	-	-	(58,697)	(58,697)
Food services	742,825	359,172	-	-	(383,653)	(383,653)
Transportation services	290,853	-	-	-	(290,853)	(290,853)
Operation of plant	3,346,217	-	-	-	(3,346,217)	(3,346,217)
Community services	500	-	-	-	(500)	(500)
Interest	4,537,719	-	-	1,008,959	(3,528,760)	(3,528,760)
Total primary government	$ 23,099,354	$ 359,172	$ 4,020	$ 1,008,959	(21,727,203)	(21,727,203)
General revenues:						
State and local sources					19,127,482	19,127,482
Interest and net gain (loss) on bond reserve accounts					1,533,116	1,533,116
Contributions and other revenues					377,311	377,311
Total general revenues					21,037,909	21,037,909
Changes in net position					(689,294)	(689,294)
Net position at beginning of year					6,080,990	6,080,990
Net position at end of year					$ 5,391,696	$ 5,391,696

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Balance Sheet - Governmental Funds

June 30, 2026

	General Fund	Capital Outlay Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 6,536,247	$ -	$ 24,656,533	$ 31,192,780
Due from other agencies	-	85,366	-	85,366
Securities	8,098	-	-	8,098
Other assets	253,528	-	-	253,528
Due from other fund	85,366	-	-	85,366
Total assets	$ 6,883,239	$ 85,366	$ 24,656,533	$ 31,625,138
Liabilities				
Accounts payable and accrued expenses	$ 1,311,285	$ -	$ -	$ 1,311,285
Due to Other Fund		85,366		85,366
Total liabilities	1,311,285	85,366	-	1,396,651
Fund Balance				
Restricted:				
Capital outlays	-	-	24,656,533	24,656,533
Capital campaign	124,244	-	-	124,244
Nonspendable:				
Other assets	253,528	-	-	253,528
Spendable:				
Unassigned	5,194,182	-	-	5,194,182
Total fund balance	5,571,954	-	24,656,533	30,228,487
Total liabilities and fund balance	$ 6,883,239	$ 85,366	$ 24,656,533	$ 31,625,138

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2026

Total fund balance - governmental	$	30,228,487
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The costs at year end consisted of:		
Capital assets		67,794,704
Accumulated depreciation		(5,772,514)
Right to use asset - property lease		3,299,390
Accumulated amortization - right to use asset		(659,878)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Lease obligation		(2,746,058)
Bond payable		(86,386,999)
Interest payable on long-term debt is not accrued in governmental funds; rather, it is recognized as an expenditure when due. Accrued interest at year end:		(365,436)
Total net position - governmental activities	$	5,391,696

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds

For the Year Ended June 30, 2026

	General Fund	Capital Projects Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Federal sources passed through local school district	$ -	$ -	$ 4,020	$ -	$ 4,020
State and local sources	19,127,482	1,008,959	-	-	20,136,441
Income on bond funds	-	-	-	1,533,116	1,533,116
Contributions and other revenues	813,482	-	-	-	813,482
Total revenues	19,940,964	1,008,959	4,020	1,533,116	22,487,059
Expenditures					
Current:					
Instruction	9,504,896	-	4,020	-	9,508,916
Pupil personnel services	331,399	-	-	-	331,399
Instructional media services	376,211	-	-	-	376,211
Board	363,952	-	-	-	363,952
General administration	52,671	-	-	-	52,671
School administration	3,323,898	-	-	-	3,323,898
Facility acquisition and construction	-	32,002,553	-	22,296	32,024,849
Fiscal services	58,697	-	-	-	58,697
Food services	742,825	-	-	-	742,825
Transportation	290,853	-	-	-	290,853
Operation of plant	2,046,070	-	-	-	2,046,070
Community services	500	-	-	-	500
Bond issuance costs	-	-	-	-	-
Debt service:					
Principal - note payable	-	-	-	-	-
Principal - lease obligation	-	-	-	553,332	553,332
Interest	-	-	-	4,537,719	4,537,719
Capital outlay	-	398,818	-	-	398,818
Total expenditures	17,091,972	32,401,371	4,020	5,113,347	54,610,710
Excess (deficiencies) of revenue over expenditures	2,848,992	(31,392,412)	-	(3,580,231)	(32,123,651)
Other Financing Sources (Uses)					
Operating transfer in	906,781	31,392,412	-	1,740,941	34,040,134
Operating transfer out	(3,006,498)	-	-	(31,033,636)	(34,040,134)
Total other financing sources	(2,099,717)	31,392,412	-	(29,292,695)	-
Net changes in fund balances	749,275	-	-	(32,872,926)	(32,123,651)
Fund balances at beginning of year	4,822,679	-	-	57,529,459	62,352,138
Fund balances at end of year	$ 5,571,954	$ -	$ -	$ 24,656,533	$ 30,228,487

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended June 30, 2026

Net changes in fund balances - governmental funds	$	(32,123,651)
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 and reported as depreciation expense. This is the amounts incurred in the current period:		
Capital outlays		32,002,553
Right to use asset		398,818
Deprecation expense		(783,469)
Governmental funds the acquisition of leases as an expenditures. However, in the statement of activities, the cost of those assets is amortized over its useful lives. This is the amount incurred in the current period:		
Amortization (right to use assets)		(659,878)
Expenditures are not recongized for transactions that are not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net changes associated with these expenses / expenditures are as follows:		
Accrued / accreted interest		(76,999)
Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.		
Lease obligation		553,332
Change in net position of governmental activities	$	(689,294)

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

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Notes to Financial Statements

For the Year Ended June 30, 2025

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mason Classical Academy (the "School"), is a not-for-profit corporation that operates a school under a charter approved by the sponsoring district, the District School Board of Collier County Florida (the "School Board"). The governing body of the School is the Board of Directors of School, which is composed of at least three members.

Charter Contract

The School operates under a charter effective July 1, 2017 which had an initial expiration date of June 30, 2022. In November 2017, upon the School attaining high performing status, the charter was amended to expire on November 30, 2032. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the "Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book" issued by the FDOE.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to those of a private-sector business. The statement of net position and statement of activities are designed to provide financial information as a whole about the School on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient for goods and services offered by the program, grants and contributions restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenue.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are major individual governmental funds reported in the fund financial statements:

- General Fund – is the School's primary operating fund that accounts for all financial resources of the school, except those required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account for the proceeds of specific revenue sources restricted or committed to expenditures for a specific purpose
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest, and related costs.

For the purpose of these statements, all funds are considered major funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reports 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds

of general long-term debt and acquisition of capital leases are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with two financial institutions. These accounts total approximately $1.35 million and $5.16 respectively, of which approximately $6.5 million of these deposits are in excess of the FDIC insurance limits of $250,000. The School has not experienced any losses associated with these accounts.

Cash and Cash Equivalents – Restricted for bond

The School's restricted cash and cash equivalents consist of cash, money market and treasury bills. Per the bond documents, these amounts are restricted for future interest payments, debt service reserves and future construction costs relating to the Northbrooke campus and Vanderbilt facility.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date of donation. The School capitalizes assets with a cost of $750 or more. Expenditures of normal maintenance and repair that do not add to the assets value or extend the useful lives are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	Years
Building	40
Leasehold improvements	10 – 14
Furniture, fixtures and equipment	3 - 7

Interfund Transfers

For the year ended June 30, 2026, the general fund and debt service fund transferred $2.1 million, net and $29.3 million, net, respectively to the capital project fund for the construction on the new buildings. There is also 31.4 million moved into the capital project funds for the continued construction of the new building.

Net Position and Fund Balance Classifications

Government-Wide financial statements

Net Position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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 reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in not spendable form.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- 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 Governance.
- Assigned – fund balance classification includes amounts that are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

This statement also clarifies the definition of the special revenue fund to denote that the special revenue may be used to account for the proceeds of specific revenue sources (other than trust for individual, private organizations or other governmental or for major capital projects) legally restricted to expenditures for specified purposes.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for non-general funds to be classified as restricted fund balance. It is also possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

Revenue Sources

Revenues for operations are received primarily from the District School Board of Collier County Florida 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 reports the number of full-time equivalent (FTE) students and related data to the School District. The School Board receives a 2% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is 2% instead of 5% because the School is considered a high performing school. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (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 period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2026, the School reported 1,482 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

New Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This pronouncement requires liabilities relates to compensated absences recognized for 1) leave that has not been used and 2) leave that has not been used but not yet paid in cash or settled through non- cash means and includes but is not limited to vacation, sick leave, and paid time off (PTO). This statement establishes standards of accounting and financial reporting for compensated absences and other associated salary-related payments such as certain defined contribution pensions. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies. This statement also provides guidance for measuring this liability. A liability for leave that has been used but not yet paid or settled should be measured at the employee's pay rate as of the date of the financial statements or the amount of the cash or non-cash amount settled. This statement also allows governments to disclose only the net change in the liability and are no longer required to disclose which governmental funds typically have been used to liquidate the liability. This statement applies to all financial statements of all state and local governments. The required effective date for this statement is for fiscal years beginning after December 15, 2024, and all reporting periods thereafter. Early application is encouraged. The School has not included a liability for compensated absences in accrued expenses as the School currently has a use it or lose it policy. However, the School is aware of this statement should the School policy change in future years.

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, treasury bills, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital assets:				
Land	$ 10,050,000	$ -	$ -	$ 10,050,000
Building	11,354,161	-	-	11,354,161
Construction in progress	8,188,218	32,002,553	-	40,190,771
Leasehold improvements	4,652,022	30,003	-	4,682,025
Furniture, fixtures and equipment	1,148,932	368,815	-	1,517,747
Total capital assets	35,393,333	32,401,372	-	67,794,704
Accumulated depreciation:				
Building	(1,093,649)	(307,927)	-	(1,402,578)
Leasehold improvements	(3,109,969)	(357,578)	-	(3,468,256)
Furniture, fixtures and equipment	(785,427)	(117,964)	-	(911,520)
Total accumulated depreciation	(4,989,045)	(783,469)	-	(5,772,514)
Capital assets, net	$ 30,404,288	$ 31,617,903	$ -	$ 62,022,190

Depreciation expense:	
Instruction	$ 88,600
School administration	54,600
Operation of plant	640,269
Total governmental activities depreciation expense	$ 783,469

4 LEASE ASSET AND LIABILITY

Lease commitments

The School leases its facility under an operating lease agreement, which was implemented in four separate phases. Phases I, II, and III commenced during fiscal year 2015. Phase IV was effective October 2015. Phase V began February 1, 2016 and expired June 30, 2025. The lease requires the School to pay property taxes, insurance and normal maintenance costs. June 30, 2025 the School renewed the lease for an additional 5 year term.

Adhering to the requirements of GASB 87, the School is required to record the following lease asset, amortization of the asset, and a lease liability. Information related to the School's lease activity is as follows:

Right to Use Asset:		
Right to use asset, beginning of year	$	3,299,390
Accumulated amortization of asset		(659,878)
Right to use asset, net, end of year	$	2,639,512
Lease obligation:		
Lease obligation, beginning of year	$	3,299,390
Lease payments		(553,331)
		2,746,059

Amortization of the right to use asset is calculated using the straight line method over the remaining lease term beginning in fiscal 2025. Amortization expense in fiscal year 2026 of $659,878 was charged to governmental activities and included within the operation of plant. Interest expense related to the amortization of the lease obligation is approximately $150,000 for the year ended June 30, 2026 and is included in interest expense.

Future minimum payments under these lease agreements are as follows:

	Principal	Interest	Total
Year ended June 30,			
2027	$ 603,306	$ 123,601	726,907
2028	656,486	92,228	748,714
2029	713,056	58,120	771,176
2030	773,211	21,100	794,311
Total	$ 2,746,059	$ 295,049	$3,041,108

5 LONG-TERM LIABILITIES

Bond Payable

In August 2024, the School entered into a loan agreement with Capital Trust Authority, (the "Issuer"). The Issuer has agreed to issue bonds, "Series 2024A and Series 2024B" in the aggregate amount of $86,310,000 for the Mason Classical Academy Projects ("The Projects"). The School will use proceeds of the bonds of the Series 2024 Bonds for the following purposes: (i) refinancing certain loans relating to the Northbrooke Campus; (ii) constructing a new gymnasium and classroom facility on the Northbrooke Campus (the "Northbrooke Campus New Facility" and together with the Northbrooke Campus Existing Facility, the "Northbrooke Campus Facilities"); (iii) acquiring or reimbursing the cost of parcels in Naples, Florida (the "Vanderbilt Site"); (iv) constructing a new K-8 facility on the Vanderbilt Site (the "Vanderbilt Facility"); (v) funding interest reserve accounts on the Series 2024 Bonds; (vi) funding a debt service reserve fund for the Series 2024 Bonds; and (vii) paying all or a portion of certain costs associated with certain costs of issuance of the Series 2024 Bonds (collectively, the "Project"). Upon completion of the Project, the Borrower will relocate its K-8 services to the Vanderbilt Facility, will serve grades 9-12 at the Northbrooke Campus, and will no longer operate the South Campus.

Series 2024A Bond – aggregate principal amount of $82,325,000, yields interest between 4.52 – 5.03% and have various bond due dates ending May 2064.

Series 2024B Bond - principal balance of $3,985,000, yields interest at 6.75% and has a term bond due date of May 2031.

Terms of the bonds require bi-annual interest only payments commencing June 1, 2025. Effective June 1, 2027, the School commences annual escalating principal payments on Series 2024B Bonds and effective June 1, 2031 the School commences annual escalating principal payments on Series 2024A Bonds.

Future debt service related to the Series 2024 bond is as follows as of June 30, 2026:

	Principal	Interest	Total
Year ended June 30,			
2027	745,000	4,385,238	5,130,238
2028	790,000	4,334,950	5,124,950
2029	845,000	4,281,625	5,126,625
2030	905,000	4,224,588	5,129,588
2031-2035	5,380,000	20,257,750	25,637,750
2036-2040	6,885,000	18,756,250	25,641,250
2041-2045	8,790,000	16,854,000	25,644,000
2046-2050	11,210,000	14,426,000	25,636,000
2051-2055	14,315,000	11,328,500	25,643,500
2056-2060	18,260,000	7,374,000	25,634,000
2061-2065	18,185,000	2,328,500	20,513,500
Total	$ 86,310,000	$ 108,551,401	$ 194,861,401

Interest paid during the year ended June 30, 2026 related to the bonds totaled approximately $4.5 million.

The bond has covenants to maintain minimum debt service coverage ratio and days cash on hand for the period beginning June 30, 2026. The bond covenants require debt service coverage ratio is above the 1.1 and days cash on hand in an amount not less than 45 days. The School is in compliance with the requirements for the year ended June 30, 2026 with debt service coverage ratio of 2.28 and days cash on hand of approximately 110 days.

6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Collier County, Florida:	
Florida Education Finance Program	$ 8,627,035
Discretionary local effort	3,606,513
Class size reduction	1,493,240
Referendum – Capital .35 Mills	1,774,267
Capital outlay	1,008,959
Local Capital Outlay	2,622,901
School recognition funds	124,756
ESE guaranteed allocation	183,559
Mental health assistance	96,186
Safe schools	75,009
Education enrichment share	334,360
Total	$ 19,946,785

The administrative fee paid to the School Board during the year ended June 30, 2026 totaled approximately $52,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund – governmental funds.

7 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

8 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at year end may be impaired.

Legal matters

In the normal course of conducting its operations, the School occasionally becomes party to legal actions and proceedings. Mason Classical Academy is not a defendant in any pending litigation at the period ended Junes 30, 2026.

9 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax return for the past three years are subject to examination by tax authorities, and may change upon examination.

10 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 28, 2026, which is the date the financial statements were available be issued.

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2026

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
State and local sources	$ 18,730,650	$ 18,730,650	$ 19,127,482	$ 396,832
Contributions and other revenue	1,333,354	1,333,354	813,482	(519,872)
Total revenues	20,064,004	20,064,004	19,940,964	(123,040)
EXPENDITURES				
Current:				
Instruction	8,184,329	8,184,329	9,504,896	1,320,567
Pupil personnel services	268,086	268,086	331,399	63,313
Instructional media services	425,265	425,265	376,211	(49,054)
Board	834,621	834,621	363,952	(470,669)
General administration	53,130	53,130	52,671	(459)
School administration	3,360,883	3,360,883	3,323,898	(36,985)
Fiscal services	53,825	53,825	58,697	4,872
Food services	624,173	624,173	742,825	118,652
Transportation	233,784	233,784	290,853	57,069
Operation of plant	3,154,458	3,154,458	2,046,070	(1,108,388)
Community services	-	-	500	500
Capital outlay	-	-	-	-
Total expenditures	17,192,554	17,192,554	17,091,972	(100,582)
Excess (deficiency) of revenue over expenditures	2,871,450	2,871,450	2,848,992	(22,458)
Other Financing Sources (Uses)				
Operating transfer in	-	-	906,781	906,781
Operating transfer out	-	-	(3,006,498)	(3,006,498)
Total other financing sources	-	-	(2,099,717)	(2,099,717)
Net change in fund balance	2,871,450	2,871,450	749,275	(2,122,175)
Fund balance at beginning of year	4,822,679	4,822,679	4,822,679	-
Fund balance at end of year	$ 7,694,129	$ 7,694,129	$ 5,571,954	$ (2,122,175)

See report of independent auditors.

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Federal sources passed through local school district	$ -	$ -	$ 4,020	$ 4,020
Total revenues	-	-	4,020	4,020
EXPENDITURES				
Current:				
Instruction	-	-	4,020	4,020
Total expenditures	-	-	4,020	4,020
Excess (deficiency) of revenue over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

See report of independent auditors.

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the District School Board of Collier County, Florida

Calculation of Debt Covenants

For the Year Ended June 30, 2026

Long-Term Debt Service Coverage Ratio		
Is determined by dividing the Net Income available for Debt Service by the Principal and Interest Requirements		
Debt Coverage Calculation		
Net Income Available for Debt Service	$	8,584,704
Total Current Debt Service		3,766,845
Debt Service Coverage Ratio		2.28
Calculation on Income Available for Debt Service		
Income (loss) per financial statements	$	(689,294)
Add backs:		
Amortization		659,878
Depreciation		783,469
Interest (Bonds)		4,385,316
Net Income Available for Debt Service		8,584,704
Calculation of Current Debt Service		
Total Debt Service FY 2026 (YTD)		
Principal		553,332
Interest		4,385,316
Total Current Debt Service		3,766,845

See report of independent auditors.

MASON CLASSICAL ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Collier County, Florida

Calculation of Days Cash on Hand

For the Year Ended June 30, 2026

DAYS CASH ON HAND:

Cash and Cash equivalents	$	6,544,345	
Total Operating Expenses		23,099,354	
Less: Depreciation		(783,469)	
Less: Amortization		(659,878)	
Net Operating Expenses for calculation		21,656,007	
Days used in calculation		365	
Calculated daily cash requirement		59,332	
Cash Days on Hand		110	Days
Required Days on Hand		45	Days
Delta		40	Days

Note: Amortization and payment requirement for lease excluded from DSC calculation. Debt Service Coverage requirement states the calculation based on loans outstanding for the period

See report of independent auditors.

McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of Mason Classical Academy, Inc.
A Charter School and Component Unit of the District
School Board of Collier County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America the financial statements of the governmental activities and each major fund of Mason Classical Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Collier 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 28, 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 School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We do not have the ability to quantify or opine on such requirements. Additionally, 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 did not conclude instances of noncompliance nor did management disclose any other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 28, 2026

Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools*
and Similar Entities

McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter as Required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, *Charter School Audits*

To the Board of Directors of Mason Classical Academy, Inc.
a Charter School and Component Unit of the District
School Board of Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of Mason Classical Academy, Inc. (the "School") as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated August 28, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report 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 in the prior year audit report.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Mason Classical Academy, Inc. The School code is 9035.

Financial Condition and Management

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

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

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

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note such findings nor did the school or management represent such findings.

Purpose of this Letter

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 28, 2026