

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
(MSID 1019)  
MIAMI, FLORIDA  
(A CHARTER SCHOOL UNDER TRUE NORTH  
CLASSICAL ACADEMY, INC.)**

**BASIC FINANCIAL STATEMENTS, I NDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION**

**JUNE 30, 2024**

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
(MSID 1019)  
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION  
JUNE 30, 2024**

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**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
(MSID 1019)**  
(A Charter School Under True North Classical Academy, Inc.)

7500 SW 120<sup>th</sup> Street  
Miami, FL 33156  
(305)749-5725

**2023-2024**

**BOARD OF DIRECTORS**

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

**SCHOOL ADMINISTRATION**

Ms. Monica Suarez, Head of School



Verdeja • Alvarez

Certified Public Accountants & Advisors



Manny Alvarez, C.F.F., C.P.A.

Lisset I. Cascudo, C.P.A.

Michelle del Sol, C.F.E., C.P.A.

Cristy C. Rubio, C.P.A.

Javier Verdeja, C.P.A.

Octavio A. Verdeja, C.P.A.

Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

Armando Aburto, C.P.A.

Jorge Albeirus, C.P.A.

Viviana Bruno, C.P.A.

Pedro L. Silva, C.P.A.

Michael Vildosola, C.P.A.

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
True North Classical Academy at Pinecrest  
Miami, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of True North Classical Academy at Pinecrest (the "School"), a charter school under True North Classical Academy, Inc., as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of True North Classical Academy at Pinecrest, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### ***Required Supplementary Information***

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

**Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2024, and the respective changes in financial position or the year then ended, and is not intended to be a complete presentation of True North Classical Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of True North Classical Academy, Inc. as of June 30, 2024 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated September 6, 2024 on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School’s internal control over financial reporting and compliance.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 6, 2024

**Management’s Discussion and Analysis**  
True North Classical Academy at Pinecrest  
June 30, 2024

The corporate officers of True North Classical Academy at Pinecrest (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2024, the second year of operations.

**FINANCIAL HIGHLIGHTS**

1. The net position of the School as of June 30, 2024 was \$303,678.
2. At year-end, the School had current assets of \$221,253.
3. The net position of the School increased by \$416,572 at June 30, 2024.

*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, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

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

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

The government-wide financial statements can be found on pages 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.

**Management's Discussion and Analysis**  
 True North Classical Academy at Pinecrest  
 June 30, 2024

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 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 - 23 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a charter school's financial position. A summary of the School's net position as of June 30, 2024 and 2023 follows:

	2024	2023
<b>Assets</b>		
Cash	\$ 32,866	\$ 109,589
Due from other agencies	144,841	252,614
Prepaid expenses	43,546	-
Deposit receivable and other assets	217,667	242,304
Capital and right-to-use assets, net	1,271,677	1,338,345
Total Assets	\$ 1,710,597	\$ 1,942,852
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 111,689	\$ 60,222
Due to related parties	228,283	648,163
Right-to-use liability	1,066,947	1,347,361
Total Liabilities	1,406,919	2,055,746
Net investment in capital assets	204,730	(9,016)
Restricted	2,229	-
Unrestricted	96,719	(103,878)
Total Net Position (Deficit)	303,678	(112,894)
Total Liabilities and Net Position	\$ 1,710,597	\$ 1,942,852

At June 30, 2024, the School's total assets were \$1,710,597 and total liabilities were \$1,406,919. At June 30, 2024, the School reported total surplus in net position of \$303,678. This was the School's second year of operations.

**Management's Discussion and Analysis**  
True North Classical Academy at Pinecrest  
June 30, 2024

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2024 and 2023 follows:

<b>REVENUES</b>	<u>2024</u>	<u>2023</u>
Program Revenues		
Federal grants	\$ 231,719	\$ 251,041
Capital outlay funding	178,385	37,303
Charges for services and other grants	152,412	57,877
General Revenues		
FEFP nonspecific revenue	1,941,629	588,887
Local tax referendum	326,091	63,926
Fundraising and other revenue	135,131	5,828
Total Revenues	<u>2,965,367</u>	<u>1,004,862</u>
<b>EXPENSES</b>		
Instruction	1,118,499	318,431
Student and instructional support services	34,646	23,102
General administration	38,380	15,808
School administration	412,548	178,387
Central services	14,055	5,540
Fiscal services	75,390	9,868
Food services	66,187	21,750
Operation of plant	627,253	450,161
Administrative technical services	54,168	5,900
Community services	41,303	18,867
Extracurricular and student activities	6,513	5,737
Interest expense	59,853	64,205
Total Expenses	<u>2,548,795</u>	<u>1,117,756</u>
Change in Net Position	416,572	(112,894)
<b>Net Deficit at Beginning of Year</b>	<u>(112,894)</u>	<u>-</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ 303,678</u>	<u>\$ (112,894)</u>

The School's total revenues for the year ended June 30, 2024 were \$2,965,367 while its total expenses were \$2,548,795 for a net increase of \$416,572. This was the School's second full year of operations, in which the School had 223 students enrolled during 2023-2024.

**Management's Discussion and Analysis**  
True North Classical Academy at Pinecrest  
June 30, 2024

**ACCOMPLISHMENTS**

True North's mission is for our scholars to achieve their highest potential through a rigorous, knowledge-rich curriculum that is grounded in the classical liberal arts tradition that holds intellectual and moral virtue as the noblest of aims. Once again, all True North schools received an A grade by the Florida Department of Education and rank amongst the top schools in Florida. True North's unique mission is present in the school culture. Parents are deeply appreciative of the moral and joyful school culture. This was reflected in the year-end parent surveys. Across the schools, parent survey showed that 98% of parents rated the school an A or B on the question of "my child enjoys attending True North", and "True North positively shaped their children's character." The high level of parental enthusiasm is the main reason the school's reputation so quickly spread and resulted in over 4,000 students applying across our schools for the 2024-25 school year.

**SCHOOL LOCATION**

The School operates in the Miami area located at 7500 SW 120th Street. Miami, FL 33156.

**CAPITAL IMPROVEMENT REQUIREMENT**

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

**GOVERNMENTAL FUNDS**

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

At the end of the fiscal year, the School's governmental funds had an increase in fund balance of \$202,826 and reported a combined fund balance of \$98,948.

**CAPITAL AND RIGHT-TO-USE ASSETS**

The School's investment in capital and right-to-use assets, as of June 30, 2024, amounts to \$1,271,677 (net of accumulated depreciation and amortization). This investment includes the right-to-use facilities of \$910,666, net of accumulated amortization and furniture, textbooks, leasehold improvements and equipment of \$361,011, net of accumulated depreciation.

**Management's Discussion and Analysis**  
 True North Classical Academy at Pinecrest  
 June 30, 2024

**GOVERNMENTAL FUND BUDGET ANALYSIS**

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,943,016	\$ 1,943,016	\$ 1,941,629
Local tax referendum	213,180	213,180	326,091
State capital outlay funding	168,948	168,948	178,385
Federal grants	447,000	447,000	231,719
Charges for services	204,147	204,147	152,412
Fundraising and other income	30,417	30,417	135,131
TOTAL REVENUES	<u>3,006,708</u>	<u>3,006,708</u>	<u>2,965,367</u>
<b>EXPENDITURES</b>			
Instruction	1,189,790	1,189,790	1,085,536
Student and instructional support services	16,236	16,236	34,646
General administration	28,660	28,660	38,380
School administration	668,496	668,496	342,223
Central services	8,000	8,000	14,055
Fiscal services	45,600	45,600	75,390
Food services	80,052	80,052	66,187
Operation of plant	673,930	673,930	331,902
Administrative technical services	-	-	54,168
Community services	-	-	41,303
Extracurricular and student activities	54,948	54,948	6,513
Other capital outlay	109,140	109,140	331,971
Debt service	-	-	340,267
TOTAL EXPENDITURES	<u>2,874,852</u>	<u>2,874,852</u>	<u>2,762,541</u>
Net change in fund balance	<u>\$ 131,856</u>	<u>\$ 131,856</u>	<u>\$ 202,826</u>

**REQUESTS FOR INFORMATION**

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 32,866
Due from other agencies	144,841
Prepaid expenses	<u>43,546</u>
TOTAL CURRENT ASSETS	221,253
CAPITAL AND RIGHT-TO-USE ASSET, NET	1,271,677
Deposit receivable and other assets	<u>217,667</u>
TOTAL ASSETS	<u>\$ 1,710,597</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 111,689
Due to related parties	228,283
Right-to-use liability - current portion	<u>317,019</u>
TOTAL CURRENT LIABILITIES	656,991
Right-to-use liability - long-term portion	<u>749,928</u>
TOTAL LIABILITIES	1,406,919
<b>NET POSITION</b>	
Invested in capital and right-to-use assets, net of related debt	204,730
Restricted	2,229
Unrestricted	<u>96,719</u>
TOTAL NET POSITION	<u>303,678</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,710,597</u>

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 1,118,499	\$ -	\$ 121,673	\$ -	\$ (996,826)
Student and instructional support services	34,646	-	-	-	(34,646)
General administration	38,380	-	-	-	(38,380)
School administration	412,548	-	48,920	-	(363,628)
Central services	14,055	-	-	-	(14,055)
Fiscal services	75,390	-	-	-	(75,390)
Food services	66,187	30,962	36,737	-	1,512
Operation of plant	627,253	-	24,389	178,385	(424,479)
Administrative technical services	54,168	-	-	-	(54,168)
Community services	41,303	114,220	-	-	72,917
Extracurricular and student activities	6,513	7,230	-	-	717
Interest expense	59,853	-	-	-	(59,853)
<b>Total Governmental Activities</b>	<b>\$ 2,548,795</b>	<b>\$ 152,412</b>	<b>\$ 231,719</b>	<b>\$ 178,385</b>	<b>\$ (1,986,279)</b>

GENERAL REVENUES:

Government grants not restricted to specific programs	1,941,629
Local tax referendum	326,091
Fundraising and other revenue	135,131
Total general revenues	<u>2,402,851</u>
Change in Net Position	416,572
NET DEFICIT - BEGINNING	<u>(112,894)</u>
NET POSITION - ENDING	<u>\$ 303,678</u>

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,637	\$ 2,229	\$ -	\$ 32,866
Due from other agencies	-	125,924	18,917	144,841
Prepaid expenses	43,546	-	-	43,546
Due from fund	144,841	-	-	144,841
Deposit receivable and other assets	217,667	-	-	217,667
<b>TOTAL ASSETS</b>	<b>436,691</b>	<b>128,153</b>	<b>18,917</b>	<b>583,761</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 111,689	\$ -	\$ -	\$ 111,689
Due to related parties	228,283	-	-	228,283
Due to fund	-	125,924	18,917	144,841
<b>TOTAL LIABILITIES</b>	<b>339,972</b>	<b>125,924</b>	<b>18,917</b>	<b>484,813</b>
<b>FUND BALANCE</b>				
Nonspendable	261,213	-	-	261,213
Restricted	-	2,229	-	2,229
Deficit in unassigned	(164,494)	-	-	(164,494)
<b>TOTAL FUND BALANCE</b>	<b>\$ 96,719</b>	<b>\$ 2,229</b>	<b>\$ -</b>	<b>\$ 98,948</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 436,691</b>	<b>\$ 128,153</b>	<b>\$ 18,917</b>	<b>\$ 583,761</b>

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
JUNE 30, 2024**

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Total Fund Balance - Governmental Funds \$ 98,948

Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital assets	489,164
Accumulated depreciation	(128,153)

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

Right-to-use asset	910,666
Right-to-use liability	(1,066,947)

Total Net Position - Governmental Activities	\$ 303,678
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	General Funds	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
State passed through local	\$ 1,941,629	\$ -	\$ -	\$ 1,941,629
Local tax referendum	326,091	-	-	326,091
State capital outlay funding	-	-	178,385	178,385
Federal grants	-	231,719	-	231,719
Charges for services	114,220	38,192	-	152,412
Fundraising and other income	135,131	-	-	135,131
<b>TOTAL REVENUES</b>	<b>2,517,071</b>	<b>269,911</b>	<b>178,385</b>	<b>2,965,367</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	963,863	121,673	-	1,085,536
Student and instructional support services	34,646	-	-	34,646
General administration	38,380	-	-	38,380
School administration	293,303	48,920	-	342,223
Central services	14,055	-	-	14,055
Fiscal services	75,390	-	-	75,390
Food services	-	66,187	-	66,187
Operation of plant	129,128	24,389	178,385	331,902
Administrative technical services	54,168	-	-	54,168
Community services	41,303	-	-	41,303
Extracurricular and student activities	-	6,513	-	6,513
<b>Capital Outlay:</b>				
Other capital outlay	331,971	-	-	331,971
<b>Debt Service:</b>				
Redemption of principal	280,414	-	-	280,414
Interest	59,853	-	-	59,853
<b>TOTAL EXPENDITURES</b>	<b>2,316,474</b>	<b>267,682</b>	<b>178,385</b>	<b>2,762,541</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>200,597</b>	<b>2,229</b>	<b>-</b>	<b>202,826</b>
Fund deficit at beginning of year	(103,878)	-	-	(103,878)
Fund balance at end of year	\$ 96,719	\$ 2,229	\$ -	\$ 98,948

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
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, 2024**

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Change in Fund Balance - Governmental Funds \$ 202,826

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlays	331,971
Depreciation expense	(103,288)

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

Redemption of principal	280,414
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In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.

	(295,351)
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Change in Net Position of Governmental Activities

	\$ 416,572
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

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

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of the Organization as of June 30, 2024, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2027. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 5 years by mutual agreement.

These financial statements are for the year ended June 30, 2024, when 223 students were enrolled in grades K – 5 during the School’s second year of operations.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Fund Financial Statements*

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

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

Special Revenue Fund – used to account for the proceeds of specific revenue sources, such as federal and state grants, that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The special revenue fund also includes the School’s internal funds for student activities.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of True North Classical Academy at Pinecrest, (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 Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

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

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Due from Other Agencies

Due from other agencies consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 per unit on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, equipment and textbooks	3-5 Years
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Compensated Absences

All full-time employees are eligible for paid time off (PTO). Temporary and part-time employees are not eligible. PTO accumulates in relationship to all regular hours actually worked. Salaried employees will be granted PTO within the contract/agreement with the organization. If an employee uses all PTO allotted to them, any additional sick days will be without pay. 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 days available to be used in future benefit 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.

Government-wide Fund Net Position

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

- Net investment in capital and right-to-use assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. Also, includes right-to-use assets, net of amortization, reduced by the right-to-use liability. The net investment in capital assets for the year ending June 30, 2024, was \$204,730
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. There was a \$2,229 restricted net position for the year ending June 30, 2024.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- Nonspendable – fund balance associated with inventories, prepaid expenses, deposits receivable, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2024, the School’s nonspendable fund balance was \$261,213.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2024, the School’s restricted fund balance was \$2,229.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2024, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2024, there is no assigned fund balance.
- Unassigned (deficit) – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against the non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, non-spendable fund and balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2024, there are no minimum fund balance requirements for any of the School’s funds.

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made for the School in the accompanying financial statements. The Academy has evaluated its tax position for all open tax years and has not identified any uncertain tax positions prior to year ending June 30, 2021.

Use of Estimates

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

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 6, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL AND RIGHT-TO-USE ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2024:

	Balance			Balance
	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets				
Furniture and equipment	\$ 114,579	\$ 244,932	\$ -	\$ 359,511
Textbooks	42,614	79,039	-	121,653
Leasehold improvements	-	8,000	-	8,000
Total capital assets	<u>157,193</u>	<u>331,971</u>	<u>-</u>	<u>489,164</u>
Less accumulated depreciation				
Furniture and equipment	(14,906)	(70,325)	-	(85,231)
Textbooks	(9,959)	(32,963)	-	(42,922)
Total accumulated depreciation	<u>(24,865)</u>	<u>(103,288)</u>	<u>-</u>	<u>(128,153)</u>
Capital assets, net	<u>\$ 132,328</u>	<u>\$ 228,683</u>	<u>\$ -</u>	<u>\$ 361,011</u>

Depreciation expense for the year ended June 30, 2024, was \$103,288, of which \$70,325 was allocated to school administration and \$32,963 was allocated to instruction.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

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

	Balance			Balance
	July 1, 2023	Additions	Deletions	June 30, 2024
Right-to-use assets				
Right-to-use asset- Facilities	\$ 1,476,756	\$ -	\$ -	\$ 1,476,756
Total right-to-use assets	<u>1,476,756</u>	<u>-</u>	<u>-</u>	<u>1,476,756</u>
Less accumulated amortization				
Right-to-use asset- Facilities	(270,739)	(295,351)	-	(566,090)
Total accumulated amortization	<u>(270,739)</u>	<u>(295,351)</u>	<u>-</u>	<u>(566,090)</u>
Right-to-use assets, net	<u>\$ 1,206,017</u>	<u>\$ (295,351)</u>	<u>\$ -</u>	<u>\$ 910,666</u>

Amortization expense for the year ended June 30, 2024 was \$295,351, which was allocated to operation of plant.

**NOTE 4 – DUE FROM OTHER AGENCIES**

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds mainly consist of amounts due from the District under the Public Charter School Program (CSP) Planning, Program Design and Implementation grant, which totaled \$104,314. Amounts due from other agencies are considered fully collectible and as such, no allowance for uncollectible accounts is recorded.

**NOTE 5 – TRANSACTIONS WITH RELATED PARTIES**

The Organization operates two other charter schools: True North Classical Academy and True North Classical Academy at Gateway. Through the Board, management allocates a proportionate share of certain administrative salaries and other expenses based on student enrollment. The Organization and its other charter schools also advance and repay amounts to the School and vice versa.

Amounts due to related parties at June 30, 2024 are as follows:

True North Classical Academy, Inc.	\$ 225,200
True North Classical Academy	<u>3,083</u>
Total Due to Related Parties	<u>\$ 228,283</u>

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

True North Classical Academy, Inc. entered into an agreement to lease the School’s facilities, commencing August 1, 2022 through July 31, 2027. The School’s monthly rent through July 31, 2023 is \$17,600. During the year ended June 30, 2024, the School paid rent of \$193,600. Commencing August 1, 2023 through July 31, 2024, the annual Base Rent is equal to \$352,000 paid in monthly equal installments. Beginning on August 1, 2024, the annual Base Rent shall increase each year from the prior year by 3%. During the year ended June 30, 2024, the School prepaid rent of \$175,000 for the possible rental of an additional facility in the subsequent year, which is included in prepaid rent at June 30, 2024. A portion of the prepaid rent will be retained by the landlord and a portion will either be credited to future rent payments for the additional facility or to future rent payments of the existing facility, depending on whether the School is successful in increasing the allowed student capacity a Development Order (“DO”). As of the date of these financial statements, the School is in the process of obtaining the DO and therefore cannot determine the manner or timing in which the prepaid rent will be utilized.

The School has implemented GASB No. 87 *Leases* and as a result, has recorded a right-to-use asset and liability in these financial statements for the facilities as of the commencement date of the lease, August 1, 2022. The School used an interest rate of 5% based on the average incremental borrowing rate of the Organization to discount the annual lease payments and recognize the intangible right to use asset and the lease liability. During the year ended June 30, 2024, the interest expense related to the right to use liability was \$59,853 and the amortization expense of the right to use assets was \$295,351.

The following schedule provides changes in right-to-use liabilities:

	Balance July 1, 2023	Additions	Decreases	Balance June 30, 2024
Right-to-use liability- Facilities	\$ 1,347,361	\$ -	\$ (280,414)	\$ 1,066,947
	<u>\$ 1,347,361</u>	<u>\$ -</u>	<u>\$ (280,414)</u>	<u>\$ 1,066,947</u>

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

Fiscal Year Ended	Principal	Interest	Total
2025	\$ 317,019	\$ 45,977	\$ 362,996
2026	344,387	29,573	373,960
2027	373,488	11,768	385,256
2028	32,053	-	32,053
	<u>\$ 1,066,947</u>	<u>\$ 87,318</u>	<u>\$ 1,154,265</u>

**NOTE 7 – DEPOSITS POLICY AND CREDIT RISK**

It is the School’s policy to maintain its cash and cash equivalents in major banks. As of June 30, 2024, the bank balance of the School’s operating cash deposit account was \$32,866. The School is a charter school under the Organization, which also operates other schools. All bank accounts are opened under the account ownership of the Organization. Therefore, bank balances at times may potentially be in excess of Federal Depository Insurance Corporation (FDIC) limit of \$250,000. As of June 30, 2024, the School’s bank balance was not in excess of FDIC coverage.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 8 – GRANTS**

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

**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 the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

**NOTE 10 – INTERFUND TRANSFERS AND BALANCES**

Interfund 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. Interfund balances in governmental funds as of June 30, 2024 consist of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Due to General Fund from Special Revenue Fund for CSP Grant	\$ 123,257	\$ (123,257)
Due to General Fund from Special Revenue Fund for Food Program	2,667	(2,667)
Due to General Fund from Capital Projects Fund for Capital Outlay	18,917	(18,917)
Total Due from/(Due to) Funds	<u>\$ 144,841</u>	<u>\$ (144,841)</u>

REQUIRED SUPPLEMENTAL INFORMATION

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET  
AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,943,016	\$ 1,943,016	\$ 1,941,629
Local tax referendum	213,180	213,180	326,091
State capital outlay funding	168,948	168,948	-
Federal grants	147,000	147,000	-
Charges for services	166,147	166,147	114,220
Fundraising and other income	30,417	30,417	135,131
<b>TOTAL REVENUES</b>	<b>2,668,708</b>	<b>2,668,708</b>	<b>2,517,071</b>
<b>EXPENDITURES</b>			
Instruction	1,033,790	1,033,790	963,863
Student and instructional support services	16,236	16,236	34,646
General administration	28,660	28,660	38,380
School administration	605,766	605,766	293,303
Central services	8,000	8,000	14,055
Fiscal services	45,600	45,600	75,390
Operation of plant	642,660	642,660	129,128
Administrative technical services	-	-	54,168
Community services	-	-	41,303
Extracurricular and student activities	46,948	46,948	-
Other capital outlay	109,140	109,140	331,971
Debt service	-	-	340,267
<b>TOTAL EXPENDITURES</b>	<b>2,536,800</b>	<b>2,536,800</b>	<b>2,316,474</b>
<b>Net change in fund balance</b>	<b>\$ 131,908</b>	<b>\$ 131,908</b>	<b>\$ 200,597</b>

See accompanying note to the required supplemental information.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

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	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal grants	\$ 300,000	\$ 300,000	\$ 231,719
Charges for services	38,000	38,000	38,192
<b>TOTAL REVENUES</b>	<b>338,000</b>	<b>338,000</b>	<b>269,911</b>
<b>EXPENDITURES</b>			
Instruction	156,000	156,000	121,673
School administration	62,730	62,730	48,920
Food services	80,052	80,052	66,187
Operation of plant	31,270	31,270	24,389
Extracurricular and student activities	8,000	8,000	6,513
<b>TOTAL EXPENDITURES</b>	<b>338,052</b>	<b>338,052</b>	<b>267,682</b>
 Net change in fund balance	 \$ (52)	 \$ (52)	 \$ 2,229

See accompanying note to the required supplemental information.

**TRUE NORTH CLASSICAL ACADEMY AT PINECREST  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2024, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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



Verdeja • Alvarez

Certified Public Accountants & Advisors



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Javier Verdeja, C.P.A.

Octavio A. Verdeja, C.P.A.

Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

Armando Aburto, C.P.A.

Jorge Albeirus, C.P.A.

Viviana Bruno, C.P.A.

Pedro L. Silva, C.P.A.

Michael Vildosola, C.P.A.

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*

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Board of Directors of  
True North Classical Academy at Pinecrest  
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of True North Classical Academy at Pinecrest (the "School"), as of and for the year ended June 30, 2024, 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 6, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 6, 2024



Verdeja • Alvarez

Certified Public Accountants & Advisors



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Michelle del Sol, C.F.E., C.P.A.  
Cristy C. Rubio, C.P.A.  
Javier Verdeja, C.P.A.  
Octavio A. Verdeja, C.P.A.  
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

Armando Aburto, C.P.A.  
Jorge Albeirus, C.P.A.  
Viviana Bruno, C.P.A.  
Pedro L. Silva, C.P.A.  
Michael Vildosola, C.P.A.

## MANAGEMENT LETTER

Board of Directors of  
True North Classical Academy at Pinecrest  
Miami, Florida

### Report on the Financial Statements

We have audited the financial statements of True North Classical Academy at Pinecrest (the "School"), a non-major component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 6, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 6, 2024, 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. In the preceding annual financial audit report, the School had a total deficit in net position of \$112,894 and a total fund balance deficit of \$103,878. This was the first year of operations for the School. At June 30, 2024, the School had a total net position of \$303,678 and a total fund balance of \$98,948.

### 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 school code of the entity is True North Classical Academy at Pinecrest, 131019.

### **Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has led us to believe that the School's overall financial condition as of June 30, 2024 is not deteriorating.

### **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

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

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 6, 2024