



Brooksville Engineering, Science & Technology Academy

FINANCIAL STATEMENTS

For the Eleven-Month Period Ended June 30, 2026



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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Brooksville Engineering, Science & Technology Academy
Brooksville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooksville Engineering, Science and Technology Academy (the "Academy"), a charter school and component unit of the District School Board of Hernando County, Florida, as of and for the eleven-month period ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Academy as of June 30, 2026, and the respective changes in financial position thereof for the eleven-month period 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy 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 Academy'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 Academy'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 Academy'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 on pages 4 – 9, schedule of budgetary comparison information on pages 29 – 30, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Academy's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
September 24, 2026

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Introduction

The Management's Discussion and Analysis (MD&A) of Brooksville Engineering, Science & Technology Academy's (the Academy) financial performance provides an overall review of the Academy's financial activities for the eleven month period ended June 30, 2026. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Academy's financial performance.

The Academy merged with Mid Florida Community Services, Inc. dba You Thrive Florida, in August 2025. The charter school was operated under Mid Florida Community Services, Inc. dba You Thrive Florida, starting with the 2025-26 school year.

Overview of the Financial Statements

The basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the Academy's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the Academy presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the Academy. The statement of activities presents information about the change in the Academy's net position and the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the Academy's financial health is improving or deteriorating. To assess the overall financial position of the Academy, one needs to consider additional non-financial factors such as changes in the Academy student base funding level.

Fund Financial Statements

The fund financial statements provide more detailed information about the Academy's most significant (major) funds - not the Academy as a whole. A fund is a grouping of related accounts that is used to keep track of specific sources of funding and spending for particular purposes. The Academy uses fund accounting to ensure and demonstrate fiscal accountability. Governmental funds are presented in the fund financial statements.

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Governmental funds - All of the Academy's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds statements - the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* - are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship (or differences) between them.

The Academy adopts an annual budget for its General Fund. A budgetary comparison schedule, as required, has been provided as Required Supplementary Information for the General Fund to demonstrate compliance with the budget.

Notes to Financial Statements

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

Financial Summary of the Academy

The Academy has no business-type activities. Consequently, the Academy's net position is reported as Governmental Activities. Program revenues, specifically operating grants and contributions, are the largest component of program revenues with general revenues comprising the largest portion of total revenues.

Following is a condensed financial analysis, presented in comparative format, of the government-wide net position of the Academy as of June 30, 2026 and 2025:

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Net Position - Governmental Activities

<i>June 30,</i>	2026	2025
Assets		
Current and other assets	\$ 105,275	\$ 134,773
Capital assets, net	56,845	157,576
Total assets	162,120	292,349
Liabilities		
Current liabilities	49,822	8,601
Noncurrent liabilities	32,898	138,059
Total liabilities	82,720	146,660
Net Position		
Net investment in capital assets	16,489	19,517
Unrestricted	62,911	126,172
Total net position	\$ 79,400	\$ 145,689

The Academy's assets exceeded its liabilities at the close of FY 2026 resulting in a net position of \$79,400. The balance in unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements, is \$62,911 at the end of FY 2026.

Following is a condensed schedule of revenues and expenditures from the governmental activities for the eleven-month period ended June 30, 2026, presented with comparative data for the previous year:

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Summary of Changes in Net Position From Operating Results

	For the eleven-month period ended June 30, 2026	Year ended June 30, 2025
Revenues		
Federal Through State and Local	\$ -	\$ 104,958
State	664,106	725,661
Local and Other	319,101	126,307
Total revenues	983,207	956,926
Expenses		
Instruction	571,155	523,597
Instructional staff training	-	560
Board	-	9,337
General administration	-	33,297
School administration	178,706	262,139
Fiscal services	229	1,485
Student transportation	40,841	3,912
Operation of plant	111,384	48,330
Maintenance of plant	994	-
Community service	-	50,759
Debt service - interest	498	9,621
Unallocated depreciation/amortization	-	46,809
Total expenses	903,807	989,846
Change in net position	79,400	(32,920)
Net position (deficit) beginning of year	-	178,609
Net position (deficit) end of year	\$ 79,400	\$ 145,689

The largest revenue source for the Academy is the State of Florida (67.5%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the Academy.

The largest concentration of expenses is in Instruction which accounted for 63% of total expenditures and consists primarily of teachers' salaries.

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Financial Analysis of the Academy's Funds

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent, and what is available for future expenditures. Did the Academy generate enough revenue to pay for current obligations? What is available for spending at the end of the year? The financial performance of the Academy as a whole is reflected in its governmental funds as well. For the eleven-month period ended June 30, 2026, the Academy's combined governmental funds reported ending fund balances of \$71,229.

General Fund – The general fund is the primary operating fund of the Academy. The general fund balance increased by \$71,229.

General Fund Budgetary Highlights

The General Fund budget for the period ended June 30, 2026, was developed based on the Academy's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, management monitors the budget and may revise the budget. Refer to the Budgetary Comparison Schedule for additional information.

Capital Assets and Debt Administration

Capital Assets – The Academy's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$56,845 (net of accumulated depreciation/amortization). This investment in capital assets includes leased asset-equipment, furniture and equipment and vehicles. Additional information regarding the Academy's capital assets can be found in the notes to the financial statements.

Long-Term Debt – The Academy has entered into a long-term lease of certain copier equipment through May 2031. This lease has been reported as long-term debt under guidance from GASB 87 in the amount of \$40,356. Additional information regarding the long-term debt can be found in the notes to the financial statements.

Currently Known Facts, Decisions or Conditions Affecting Next Year's Operations

Student Enrollment

Student enrollment for the 2026-2027 school year is currently projected at approximately 90 students, compared to 89 students enrolled as of the end of fiscal year, 2025-2026. This projection is based on historical enrollment trends.

The School's charter was renewed on July 1, 2023 through June 30, 2038 and management is not aware of any conditions that would affect the school's continued operation under its charter.

Management is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the school's enrollment, and therefore its financial position or results of operations, for the subsequent fiscal year beyond what is disclosed above.

Brooksville Engineering, Science & Technology Academy Management's Discussion and Analysis (MD&A)

Contacting the Academy's Financial Management

This financial report is designed to provide a general overview of the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Principal, Brooksville Engineering, Science & Technology Academy, 835 School Street, Brooksville, Florida 34601.

Brooksville Engineering, Science and Technology Academy
Statement of Net Position

<i>June 30, 2026</i>	Governmental Activities
Assets	
Cash and cash equivalents	\$ 93,047
Receivables	9,111
Prepaid expenses	3,117
Right-to-use assets, net of amortization	40,208
Capital assets, net of accumulated depreciation	16,637
Total assets	162,120
Liabilities	
Accounts payable	8,170
Salaries and benefits payable	34,194
Non-current liabilities	
Due within one year	
Lease liability	7,458
Due in more than one year	
Lease liability	32,898
Total liabilities	82,720
Net Position	
Net investment in capital assets	16,489
Unrestricted	62,911
Total net position	\$ 79,400

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

Brooksville Engineering, Science and Technology Academy
Statement of Activities

For the eleven-month period ended June 30, 2026

Functions / Programs	Expenses
Governmental activities	
Instruction	\$ 571,155
School administration	178,706
Fiscal services	229
Student transportation services	40,841
Operation of plant	111,384
Maintenance of plant	994
Interest and fiscal charges	498
Total governmental activities	\$ 903,807

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

Program Revenues			Net (Expenses) Revenues and Changes In Net Position Governmental Activities
Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
\$ 14,991	\$ 104,804	\$ -	\$ (451,360)
-	-	-	(178,706)
-	-	-	(229)
38,368	-	-	(2,473)
-	10,633	61,150	(39,601)
-	-	-	(994)
-	-	-	(498)
<u>\$ 53,359</u>	<u>\$ 115,437</u>	<u>\$ 61,150</u>	<u>(673,861)</u>

General revenues	
State sources	487,519
Local sources	127,168
Miscellaneous	138,574
<u>Total general revenues</u>	<u>753,261</u>
Change in net position	79,400
Net position, beginning of year	-
<u>Net position, end of year</u>	<u>\$ 79,400</u>

Brooksville Engineering, Science and Technology Academy Balance Sheet – Governmental Funds

<i>June 30, 2026</i>	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 93,047	\$ -	\$ 93,047
Receivables	9,111	-	9,111
Prepaid expenses	3,117	-	3,117
Total assets	\$ 105,275	\$ -	\$ 105,275
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 8,170	\$ -	\$ 8,170
Salaries and benefits payable	25,876	-	25,876
Total liabilities	34,046	-	34,046
Fund Balances			
Nonspendable	3,117	-	3,117
Unassigned	68,112	-	68,112
Total fund balances	71,229	-	71,229
Total liabilities and fund balances	\$ 105,275	\$ -	\$ 105,275

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

Brooksville Engineering, Science and Technology Academy
Reconciliation of Balance Sheet of Governmental
Funds to Statement of Net Position

June 30, 2026

Total fund balances - governmental funds	\$	71,229
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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 in the funds.

Governmental capital assets being depreciated	\$ 213,238	
Governmental right-to-use assets being amortized	40,208	
Less accumulated depreciation and amortization	<u>(196,601)</u>	56,845

Long-term liabilities, including compensated absences,
are not due and payable in the current period and, therefore, are not
reported in the funds.

Compensated absences liability	(8,318)	
Lease liability	<u>(40,356)</u>	(48,674)

Net position of governmental activities	\$	<u>79,400</u>
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The accompanying notes are an integral part of these financial statements.

Brooksville Engineering, Science and Technology Academy
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

	General	Other	Total
<i>For the eleven-month period ended June 30, 2026</i>	Fund	Governmental Funds	Governmental Funds
Revenues			
State revenues	\$ 602,956	\$ 61,150	\$ 664,106
Local revenues	180,527	-	180,527
Other revenues	17,874	-	17,874
Total revenues	801,357	61,150	862,507
Expenditures			
Instruction	562,837	-	562,837
School administration	171,971	-	171,971
Fiscal services	229	-	229
Student transportation services	40,841	-	40,841
Operation of plant	111,384	-	111,384
Maintenance of plant	994	-	994
Fixed capital outlay:			
Other capital outlay	42,934	-	42,934
Debt service			
Principal	2,578	-	2,578
Interest	498	-	498
Total expenditures	934,266	-	934,266
Excess (deficiency) of revenues over (under) expenditures	(132,909)	61,150	(71,759)
Other Financing Sources (Uses)			
Proceeds from issuance of long-term debt	42,934	-	42,934
Transfers in	61,150	-	61,150
Transfers out	-	(61,150)	(61,150)
Other financing sources	100,054	-	100,054
Net other financing sources (uses)	204,138	(61,150)	142,988
Net change in fund balances	71,229	-	71,229
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ 71,229	\$ -	\$ 71,229

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

Brooksville Engineering, Science and Technology Academy

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

<i>For the eleven-month period ended June 30,</i>	2026
Net change in fund balances - total governmental funds	\$ 71,229
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital or right-to-use lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation or amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.	36,199
Proceeds from the issuance of debt are reported other financing resources in governmental funds but as an increase of long-term liabilities in the statement of net position.	(42,934)
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
Principal payments on long-term debt	2,578
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	20,646
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences expense	(8,318)
Change in net position of governmental activities	\$ 79,400

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

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Brooksville Engineering, Science & Technology Academy (the "Academy") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

Reporting Entity

The Academy is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the Academy is the Board of Directors of Mid Florida Community Services, Inc. d/b/a You Thrive Florida (the Agency).

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The Academy operates under a charter of the sponsoring school district, the District School Board of Hernando County, Florida, ("District"). On July 29, 2025, the District approved a consent to assignment of the charter agreement effective on the date of the agreement for the Agency to oversee the operation of the charter school. The assigned charter is effective through June 30, 2038, and is subject to annual review and may be renewed by mutual agreement between the Academy and the District.

The Academy is considered a component unit of the District; therefore, for financial reporting purposes, the Academy is required to follow generally accepted accounting principles applicable to state and local governmental units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Although other governments may report both governmental activities and business-type activities, the Academy has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. The Academy does not allocate indirect expenses to the various functions. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

The fund financial statements provide information about the Academy's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds. The Academy reports the following major governmental funds:

General Fund is the Academy's primary operating fund which accounts for all financial resources, except those required to be accounted for in another fund. The Academy's general fund primarily receives revenues from the State that are legally restricted to being expended for specific current operating purposes.

The Academy reports the following governmental fund types in the "Other Governmental Funds" column:

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported 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. Nonexchange transactions, in which the Academy gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues reported in the governmental funds (excluding state and federal reimbursements) to be available if the revenues are collected within thirty (30) days after year-end. Revenues from state and federal funds are considered available if transactions eligible for reimbursement have taken place. Expenditures generally are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under lease liability are reported as other financing sources.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Information

Budgetary Basis of Accounting

An operating budget is adopted and maintained by the governing board of the Academy pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the fund financial statements. Budgets are adopted for the General Fund.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand and demand deposits. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Receivables and Allowance for Doubtful Accounts

Receivables are reported as *receivables* in the government-wide financial statements and as *receivables* in the fund financial statements. Receivables include amounts due from grantors or grants issued for specific programs and local taxes. No allowances are made for uncollectible amounts because the amounts are considered immaterial.

Prepaid Items

Prepaid items, such as insurance premiums, are accounted for using the interperiod allocation method for both the government-wide financial statements and the governmental funds financial statements. Under this method, the cash outlay is reported as an asset in the government-wide statement of net position and governmental funds balance sheet and amortized ratably over the number of months the payment benefits.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical costs in the statement of net position. Donated assets are recorded at their acquisition value at the date of donation. The cost of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are recorded as expenditures at the acquisition date in the fund financial statements. The Academy has no general infrastructure assets.

Depreciation of capital assets is recorded in the statement of activities on a straight-line basis over the estimated useful life of the asset. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and the estimated useful lives of capital assets reported in the government-wide statements are as follows:

Capital Asset Classes	Capitalization Threshold	Estimated Useful Life
Equipment under lease	\$ 5,000	3 - 5 years
Furniture, fixtures and equipment	5,000	3 - 5 years
Vehicles	5,000	5 years

Compensated Absences

The Academy's policy permits employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from the Academy. The Academy records a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences* which requires a liability be recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The liability for such leave is measured using the pay rates in effect at the financial statement date, and is reported as incurred in the government-wide financial statements. The estimate reflects the amount of leave expected to be used or paid based on the Academy's policies and historical patterns of usage and payout. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee services rendered.

Unearned Revenues

Unearned revenues are a liability that represents amounts received but not yet earned.

Long-Term Obligations

In the government-wide financial statements, the unmatured principal of long-term debt, lease liability, and compensated absences are reported in the statement of net position. Interest expense for long-term debt, including accrued interest payable, is reported in the statement of activities.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Leases

Lease contracts that provide the Academy with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a right-to-use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right-to-use lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Right-to-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

Restricted – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Academy.

Fund balance flow assumptions – Sometimes the Academy will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Academy itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

The provisions of GASB Codification Section 1800, *Classification and Terminology and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Academy's board.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Academy for specific purposes but do not meet the criteria to be classified as committed. Under the Academy's policy, only the Superintendent may assign amounts for specific purposes.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

The Academy's reported governmental fund balance at June 30, 2026, is comprised of the following:

	General Fund	Total Governmental Funds
Nonspendable		
Prepaid expenses	\$ 3,117	\$ 3,117
Unassigned	68,112	68,112
Total fund balance	\$ 71,229	\$ 71,229

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the Academy reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the Academy during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the Academy's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the 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 fiscal year ended June 30, 2026, the Academy reported 90.97 unweighted FTE and 90.97 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The Academy receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state 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.

The Academy receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The Academy also receives funding through donations and fundraising efforts, and local property tax collections.

The Academy follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Economic Dependency

The Academy receives a substantial amount of its support from the state government. A significant reduction in the level of support, if this were to occur, may have a significant impact on the Academy's programs and activities.

Income Taxes

The Academy is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements. The Academy has no unrelated business taxable income for the year ended June 30, 2026. The Academy's federal income tax returns for 2023, 2024, and 2025 are subject to examination by the Internal Revenue Service. Tax returns are generally subject to examination for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the remaining useful life of property and equipment and the timing of revenue recognition.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 24, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with GASB Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with GASB Statement No. 94, Public- Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

The GASB has issued statements that will become effective in future years. These statements are as follows:

In December 2025, the GASB issued GASB Statement No. 105, Subsequent Events. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with GAAP and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. Further, this Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

The Academy is evaluating the requirements of the above statements and the impact on reporting.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Academy will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Academy's deposits at year-end were entirely covered by Federal Deposit Insurance Corporation (FDIC).

Accounts Receivable

Receivables at June 30, 2026 consist of the following:

	General Fund
Hernando County Board of Education	\$ 8,541
Other	570
Total receivables	\$ 9,111

The Academy deems all amounts collectible and, therefore, an allowance for doubtful accounts is not necessary.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the eleven-month period ended June 30, 2026:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated				
Furniture and equipment	\$ 116,857	\$ -	\$ -	\$ 116,857
Vehicles	96,381	-	-	96,381
Total capital assets being depreciated	213,238	-	-	213,238
Less accumulated depreciation for				
Furniture and equipment	97,339	4,009	(1,128)	100,220
Vehicles	96,381	-	-	96,381
Total accumulated depreciation	193,720	4,009	(1,128)	196,601
Capital assets, net of accumulated depreciation	19,518	(4,009)	1,128	16,637
Right-to-use lease assets, being amortized				
Furniture and equipment	-	42,934	-	42,934
Less accumulated amortization for				
Furniture and equipment	-	2,726	-	2,726
Right-to-use lease assets, being amortized, net	-	40,208	-	40,208
Total governmental activities capital and right-to-use lease assets, net	\$ 19,518	\$ 36,199	\$ 1,128	\$ 56,845

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

For the eleven-month period ended June 30, 2026

Instructional	\$ 6,735
Total governmental activities depreciation and amortization expense	\$ 6,735

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

During the eleven-month period ended June 30, 2026, the following changes occurred in long-term liabilities reported in the statement of net position:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease liabilities	\$ -	\$ 42,934	\$ (2,578)	\$ 40,356
Total long-term liabilities	\$ -	\$ 42,934	\$ (2,578)	\$ 40,356

Long-Term Lease Payable

The Academy leases certain equipment under a non-cancelable lease beginning March 2026, to May 2031.

The present value of the future minimum lease payments is as follows:

For the years ending June 30,	Principal	Interest
2027	\$ 7,458	\$ 1,771
2028	7,823	1,406
2029	8,206	1,022
2030	8,608	621
2031	8,261	199
Total	\$ 40,356	\$ 5,019

Interfund Receivables, Payables and Transfers

Interfund transfers consisted of \$61,150 of Public Education Capital Outlay funds transferred from Other Governmental Funds to the General Fund to cover applicable expenses of lease rent, insurance and other applicable expenses for the eleven-month period ended June 30, 2026.

Note 3: RETIREMENT PLAN

The Academy has a tax-sheltered annuity arrangement under Code Section 403(B) of the Internal Revenue Code. Contributions are equal to 100% of the employee's elective deferrals that do not exceed 4% of the employee's compensation. This matching contribution is 100% vested. Additional matching contributions and nonelective contributions may be made based on the availability of funds at the discretion of the Board. These additional contributions vest at a percentage based on the employee's years of service and are 100% vested at the end of year 5. Retirement plan expenses totaled \$15,512 for the period ending June 30, 2026.

Brooksville Engineering, Science and Technology Academy

Notes to Financial Statements

Note 4: RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Academy carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 5: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Academy is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Academy, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Academy or results of activities.

The Academy participates in state 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 Academy has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivables at June 30, 2026, may be impaired.

In the opinion of management, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Brooksville Engineering, Science and Technology Academy
Required Supplementary Information
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	with Final Budget
<i>For the eleven-month period ended June 30, 2026</i>				
Revenues				
State revenues	\$ 730,570	\$ 730,570	\$ 602,956	\$ (127,614)
Local revenues	215,082	215,082	180,527	(34,555)
Other revenues	-	-	17,874	17,874
Total revenues	945,652	945,652	801,357	(144,295)
Expenditures				
Instruction	591,831	591,831	562,837	28,994
School administration	192,242	192,242	171,971	20,271
Fiscal services	1,750	1,750	229	1,521
Student transportation services	42,000	42,000	40,841	1,159
Operation of plant	134,935	134,935	111,384	23,551
Maintenance of plant	1,750	1,750	994	756
Capital outlay	-	-	42,934	(42,934)
Debt service	-	-	3,076	(3,076)
Total expenditures	964,508	964,508	934,266	30,242
Excess (deficiency) of revenues over (under) expenditures	(18,856)	(18,856)	(132,909)	(114,053)
Other Financing Sources (Uses)				
Proceeds from issuance of long-term debt	-	-	42,934	42,934
Transfers in	65,826	65,826	61,150	(4,676)
Other financing sources	-	-	100,054	100,054
Net other financing sources (uses)	65,826	65,826	204,138	138,312
Net change in fund balance	46,970	46,970	71,229	24,259
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 46,970	\$ 46,970	\$ 71,229	\$ 24,259

Brooksville Engineering, Science and Technology Academy

Notes to Required Supplementary Information

BUDGETARY BASIS OF ACCOUNTING

Notes to schedule:

- (1) Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation.
- (2) The Academy adheres to the following procedures in establishing the budgetary data reflected in the financial statements:
 - a) An operating budget is adopted and maintained by the governing board of the Academy pursuant to the requirements of Florida Statutes.
 - b) Formal budgetary integration is employed as a management control device during the year for the General Fund.
 - c) Budgets are legally adopted on a basis consistent with GAAP.
- (3) GASB Statement No. 103, *Financial Reporting Model Improvements*, requires the presentation of a variance between original budget and actual; and final budget and actual. Since there was no difference between the original and final budgets, management has elected to only show a variance between final budget and actual.



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**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***

Members of the Board
Brooksville Engineering, Science and Technology Academy
Brooksville, Florida

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brooksville Engineering, Science and Technology Academy (the "Academy"), a Charter School and Component Unit of the District School Board of Hernando County, Florida as of and for the eleven-month period ended June 30, 2026, and the related notes to financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated September 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
September 24, 2026



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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 Brooksville Engineering, Science & Technology Academy,
a Charter School and Component Unit of the
District School Board of Hernando County, Florida

Report on the Financial Statements

We have audited the financial statements of the Brooksville Engineering, Science & Technology Academy ("the Academy"), a charter school and component unit of the District School Board of Hernando County, Florida, as of and for the eleven-month period ended June 30, 2026, and have issued our report thereon dated September 24, 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 24, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Brooksville Engineering, Science & Technology Academy; 274461.

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 Academy 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 Academy 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 Academy. It is management's responsibility to monitor the Academy's financial condition, and our financial condition assessment was based in part on representations made by management and 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 Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we noted the following noncompliance:

Reference Number 2026-001

Criteria: As specified in the 2026 Florida Statutes 1002.33 (9)(p) - Each charter school shall maintain a website that enables the public to obtain information regarding the school; the school's academic performance; the names of the governing board members; the programs at the school; any management companies, service providers, or education management corporations associated with the school; the school's annual budget and its annual independent fiscal audit; the school's grade pursuant to s. 1008.34; and, on a quarterly basis, the minutes of governing board meetings.

Condition: The Academy did not properly maintain on its website the annual budget or the annual independent fiscal audits, which are required information specified in Section 1002.33(9)(p), Florida Statutes.

Cause: During the transition of the Academy's operations to Mid Florida Community Services, Inc. d/b/a You Thrive Florida in August 2025, responsibility for maintaining required financial postings on the website was not formally assigned.

Effect: Failure to follow the required statute could result in lack of proper public information.

Recommendations: We recommend that the Academy strictly adhere to the required statute by designating an individual to monitor the website for all required data and any noted changes to the public information required.

Views of Responsible Officials: See Correction Action Plan

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 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, applicable management, and District School Board of Hernando County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

September 24, 2026
Enterprise, Alabama

Brooksville Engineering, Science and Technology Academy Corrective Action Plan

Members of the Board of Directors
Brooksville Engineering, Science and Technology Academy
Brooksville, Florida

Management of Brooksville Engineering, Science and Technology Academy (the "Academy") submits the following corrective action plan in response to the finding reported in the Management Letter issued by Carr, Riggs & Ingram, L.L.C., for the period ended June 30, 2026.

Finding: Transparency

Reference Number 2026-001

Condition: The Academy did not properly maintain on its website the annual budget or the annual independent fiscal audits, which are required information specified in Section 1002.33(9)(p), Florida Statutes.

Cause: During the transition of the Academy's operations to Mid Florida Community Services, Inc. d/b/a You Thrive Florida in August 2025, responsibility for maintaining required financial postings on the website was not formally assigned.

Management's Response: Management concurs with the finding and has adopted the corrective actions below.

Corrective Actions:

- 1.) Post the current adopted annual budget, FY 2026-2027 to the Academy's website.
- 2.) Post the most recent completed annual independent audit for FY2025, and post the FY2026 audit with 7 business days of board acceptance.
- 3.) Review the Academy website for all posting requirements under Florida Charter Statue.
- 4.) Formally assign ongoing responsibility for required website postings to a designated administrative staff member and assign a backup individual.

Monitoring

The Charter Director will confirm in writing to the Executive staff member responsible for program oversight that required postings are complete after each budget adoption or amendment and each audit acceptance.