



**Pineapple Cove Classical Academy, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2025**



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# REPORT





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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Pineapple Cove Classical Academy, Inc.  
Palm Bay, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Pineapple Cove Classical Academy, Inc. (the "School"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in

an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the school's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

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

Tallahassee, FL  
August 29, 2025



# MANAGEMENT'S DISCUSSION AND ANALYSIS



## Pineapple Cove Classical Academy, Inc. Management's Discussion and Analysis

The Corporate officers of Pineapple Cove Classical Academy, Inc. (the School), have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2025.

### Financial Highlights

1. The net position of the School at June 30, 2025 was a deficit of \$(3,698,691).
2. At June 30, 2025, the School had current assets of \$4,720,971.
3. The net position of the School decreased by \$572,658 during the fiscal year.
4. The unassigned fund balance at year end was \$375,082.

### 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 basic financial statements for the year ended June 30, 2025 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, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these four categories are reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

The government-wide financial statements can be found on pages 9 and 10 of this report.

### Fund Financial Statements

A *fund* is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

**Pineapple Cove Classical Academy, Inc.  
Management's Discussion and Analysis**

***Fund Financial Statements (continued)***

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds.

The basic governmental fund financial statements can be found on pages 11 through 14 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 15 through 31 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was a deficit of \$(3,698,691) at the close of the fiscal year. A summary of the School's net position as of June 30, 2025 and 2024 is as follows:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash	\$ 532,171	\$ 474,357
Cash, restricted	3,372,422	3,557,142
Prepaid expenses and other assets	85,441	25,242
Due from other agencies	226,577	270,603
Due from related schools and management company	504,360	352,929
Capital and right-of-use assets, net	23,776,162	24,416,967
<b>Total assets</b>	<b>28,497,133</b>	<b>29,097,240</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	888,026	508,671
Accrued interest	794,807	805,269
Due to related schools	-	-
Lease liabilities	225,011	190,192
Bond payable	30,287,980	30,719,141
<b>Total liabilities</b>	<b>32,195,824</b>	<b>32,223,273</b>
<b>Net position</b>		
Net investment in capital assets	(6,736,829)	(6,492,366)
Restricted	2,577,615	2,751,873
Unrestricted	460,523	614,460
<b>Total net position</b>	<b>\$ (3,698,691)</b>	<b>\$ (3,126,033)</b>

## Pineapple Cove Classical Academy, Inc. Management's Discussion and Analysis

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and June 30, 2024 is as follows:

<i>For the years ended June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Revenues</b>		
Program revenues		
Federal sources	\$ 1,326,300	\$ 2,249,300
Capital grants and contributions	1,883,791	1,742,442
Lunch program	126,901	162,714
Charges for services	675,343	1,129,940
General revenues		
Local sources (FTE and other non-specific)	8,556,605	8,307,034
Other revenue	190,830	181,948
<b>Total revenues</b>	<b>12,759,770</b>	<b>13,773,378</b>
<b>Expenses</b>		
Instruction	5,928,392	5,866,011
Student support services	367,340	283,493
Instruction staff training service	-	5,135
Instruction related technology	145,930	148,955
Board	680,197	619,882
School administration	1,454,541	1,542,474
Facilities acquisition	-	725,246
Fiscal services	-	16,000
Food services	617,636	611,168
Student transportation services	21,172	3,500
Operation of plant	2,190,439	1,137,383
Community services	296,649	538,249
Debt service	1,630,132	1,668,553
<b>Total expenses</b>	<b>13,332,428</b>	<b>13,166,049</b>
Change in net position	(572,658)	607,329
Net position at beginning of year	(3,126,033)	(3,733,362)
Net position at end of year	\$ (3,698,691)	\$ (3,126,033)

The School's revenues and expenses for the year ended June 30, 2025 increased (decreased) over the prior year by \$(1,013,608) and \$166,379, respectively. The School had a decrease in its net position of \$(572,658) for the year.

### Capital Improvement Requirements

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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

At June 30, 2025, the School's governmental general fund reported ending fund balance of \$460,523. The unassigned fund balance available for spending at the School's discretion is \$375,082. These funds are available for the School's future ongoing operations.

### Capital Assets

The School's investment in capital assets and right-of-use lease assets as of June 30, 2025 amounts to \$23,776,162 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, improvements, furniture, fixtures and equipment and right-of-use lease assets. As of June 30, 2025, the School had long-term liabilities associated with its capital assets and right-of-use assets of \$29,991,546.

## Pineapple Cove Classical Academy, Inc. Management's Discussion and Analysis

### Governmental Fund Budget Analysis and Highlights

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.

<i>For the year ended June 30, 2025</i>	<b>Governmental Fund</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues</b>			
Program revenues			
State capital outlay funding and other local	\$ 2,819,287	\$ 3,437,146	\$ 2,965,738
Federal sources	155,398	118,590	126,901
Charges for services	683,277	737,544	675,343
General revenues			
FTE and other non-specific revenues	8,377,356	8,664,561	8,785,677
Other revenue	182,495	352,563	206,111
Total revenues	12,217,813	13,310,404	12,759,770
<b>Current expenditures</b>			
Instruction	5,614,346	6,387,449	5,828,866
Student support services	433,448	332,067	367,340
Instructional staff training services	-	-	-
Instruction related technology	211,145	211,145	136,225
Board	596,676	731,139	680,197
School administration	1,154,650	1,695,886	1,453,512
Fiscal services	19,000	19,000	-
Food services	525,734	623,347	615,813
Operation of plant	1,042,698	1,871,553	1,422,144
Community services	307,465	311,974	296,646
Capital outlay	-	-	141,721
Debt service	2,075,538	2,075,538	2,145,501
Total current expenditures	11,980,700	14,259,098	13,087,965
Total revenues in excess of current expenditures	\$ 237,113	\$ (948,694)	\$ (328,195)

### Requests for Information

This financial report is designed to provide a general overview of the Pineapple Cove Classical Academy, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Pineapple Cove Classical Academy, Inc., 6162 NW Minton Rd, Palm Bay, FL 32907.



# BASIC FINANCIAL STATEMENTS



Pineapple Cove Classical Academy, Inc.  
Statement of Net Position  
June 30, 2025

<i>June 30, 2025</i>	<b>Governmental Activities</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash	\$ 532,171
Cash and cash equivalents, restricted	3,372,422
Due from other agencies	226,577
Prepaid expenses and other current assets	85,441
Due from related schools and management company	504,360
Total current assets	4,720,971
<b>Capital assets and lease assets, net</b>	
Capital assets, non-depreciable	1,133,161
Capital assets, depreciable	27,231,644
Less: accumulated depreciation	(4,802,068)
Right-of-use lease asset	448,208
Less: accumulated amortization	(234,783)
Total capital assets and lease assets, net	23,776,162
Total assets	28,497,133
<b>Deferred outflows of resources</b>	
	-
<b>Liabilities</b>	
<b>Current liabilities</b>	
Salaries and wages payable	770,594
Accounts payable and accrued expenses	117,432
Accrued interest on bonds	794,807
Bond payable, current	451,161
Lease liabilities, current	70,284
Total current liabilities	2,204,278
<b>Non-current liabilities</b>	
Bond payable, less current portion	29,836,819
Lease liabilities, less current portion	154,727
Total non-current liabilities	29,991,546
Total liabilities	32,195,824
<b>Deferred inflows of resources</b>	
	-
<b>Net position</b>	
Net investment in capital assets	(6,736,829)
Restricted by bonds for:	
Debt service	2,577,615
Unrestricted	460,523
Total net position	\$ (3,698,691)

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

**Pineapple Cove Classical Academy, Inc.**  
**Statement of Activities**  
**Year ended June 30, 2025**

Functions/programs	Program revenues				Net (expense) revenue and changes in net position
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:					
Instruction	\$ 5,928,392	\$ -	\$ 333,992	\$ -	\$ (5,594,400)
Student support services	367,340	-	-	-	(367,340)
Instruction related technology	145,930	-	-	-	(145,930)
Board	680,197	-	-	-	(680,197)
School administration	1,454,541	-	179,278	-	(1,275,263)
Food services	617,636	380,688	126,901	-	(110,047)
Student transportation services	21,172	-	-	-	(21,172)
Operation of plant	2,190,439	-	813,030	1,883,791	506,382
Community services	296,649	294,655	-	-	(1,994)
Debt service	1,630,132	-	-	-	(1,630,132)
<b>Total governmental activities</b>	<b>\$ 13,332,428</b>	<b>\$ 675,343</b>	<b>\$ 1,453,201</b>	<b>\$ 1,883,791</b>	<b>(9,320,093)</b>
General revenues					
FTE and other nonspecific revenues					8,556,605
Other					49,735
Investment earnings					141,095
Total general revenues					<u>8,747,435</u>
Change in net position					(572,658)
Net position at beginning of year					(3,126,033)
Net position at end of year					<u>\$ (3,698,691)</u>

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

**Pineapple Cove Classical Academy, Inc.**  
**Balance Sheet – Governmental Funds**  
**June 30, 2025**

<i>June 30, 2025</i>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash	\$ 532,171	\$ -	\$ -	\$ -	\$ 532,171
Cash and cash equivalents, restricted	-	3,372,422	-	-	3,372,422
Prepaid expenses and other current assets	85,441	-	-	-	85,441
Due from related schools and mgmt company	504,360	-	-	-	504,360
Due from other agencies	226,577	-	-	-	226,577
<b>Total assets</b>	<b>1,348,549</b>	<b>3,372,422</b>	<b>-</b>	<b>-</b>	<b>4,720,971</b>
<b>Deferred outflows of resources</b>					
	-	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,348,549</b>	<b>\$ 3,372,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,720,971</b>
<b>Liabilities</b>					
Salaries and wages payable	\$ 770,594	\$ -	\$ -	\$ -	\$ 770,594
Accounts payable and accrued expenses	117,432	-	-	-	117,432
Accrued interest on bonds	-	794,807	-	-	794,807
<b>Total liabilities</b>	<b>888,026</b>	<b>794,807</b>	<b>-</b>	<b>-</b>	<b>1,682,833</b>
<b>Deferred inflows of resources</b>					
	-	-	-	-	-
<b>Fund balance</b>					
Nonspendable, not in spendable form	85,441	-	-	-	85,441
Restricted	-	2,577,615	-	-	2,577,615
Unassigned	375,082	-	-	-	375,082
<b>Total fund balance</b>	<b>460,523</b>	<b>2,577,615</b>	<b>-</b>	<b>-</b>	<b>3,038,138</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,348,549</b>	<b>\$ 3,372,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,720,971</b>

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

**Pineapple Cove Classical Academy, Inc.**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**Year ended June 30, 2025**

Total fund balance - governmental funds \$ 3,038,138

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

Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Capital assets	28,364,805	
Less: accumulated depreciation	(4,802,068)	
Right-of-use asset	448,208	
Less: accumulated amortization	<u>(234,783)</u>	23,776,162

Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds. (30,512,991)

Total net position - governmental funds \$ (3,698,691)

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

**Pineapple Cove Classical Academy, Inc.**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Governmental Funds**  
**Year ended June 30, 2025**

<i>For the year ended June 30, 2025</i>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
State passed through local	\$ 8,785,677	\$ -	\$ -	\$ -	\$ 8,785,677
State capital outlay funding	-	-	-	650,254	650,254
Local capital improvement revenue	-	-	-	1,057,403	1,057,403
Local sources	1,081,947	-	-	176,134	1,258,081
Federal through state and local	-	-	126,901	-	126,901
Charges for services	294,655	-	380,688	-	675,343
Other	78,291	127,820	-	-	206,111
<b>Total revenues</b>	<b>10,240,570</b>	<b>127,820</b>	<b>507,589</b>	<b>1,883,791</b>	<b>12,759,770</b>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	5,828,866	-	-	-	5,828,866
Student support services	367,340	-	-	-	367,340
Instructional staff training services	-	-	-	-	-
Instruction related technology	136,225	-	-	-	136,225
Board	680,197	-	-	-	680,197
School administration	1,453,512	-	-	-	1,453,512
Fiscal services	-	-	-	-	-
Food services	18,567	-	597,246	-	615,813
Operation of plant	1,422,144	-	-	-	1,422,144
Community services	296,646	-	-	-	296,646
<b>Capital outlay</b>					
Other capital outlay	-	-	-	141,721	141,721
<b>Debt service</b>					
Redemption of principal	84,208	465,000	-	-	549,208
Interest and fees	-	1,596,293	-	-	1,596,293
<b>Total expenditures</b>	<b>10,287,705</b>	<b>2,061,293</b>	<b>597,246</b>	<b>141,721</b>	<b>13,087,965</b>
<b>Excess (deficit) of revenues over expenses</b>	<b>(47,135)</b>	<b>(1,933,473)</b>	<b>(89,657)</b>	<b>1,742,070</b>	<b>(328,195)</b>
<b>Other financing sources (uses)</b>					
Transfers in (out)	(106,802)	1,759,215	89,657	(1,742,070)	-
<b>Total other financing sources (uses)</b>	<b>(106,802)</b>	<b>1,759,215</b>	<b>89,657</b>	<b>(1,742,070)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(153,937)</b>	<b>(174,258)</b>	<b>-</b>	<b>-</b>	<b>(328,195)</b>
<b>Fund balance, beginning of year</b>	<b>614,460</b>	<b>2,751,873</b>	<b>-</b>	<b>-</b>	<b>3,366,333</b>
<b>Fund balance, end of year</b>	<b>\$ 460,523</b>	<b>\$ 2,577,615</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,038,138</b>

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



## Pineapple Cove Classical Academy, Inc. Notes to Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Reporting Entity***

Pineapple Cove Classical Academy, Inc., (the "School") 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 School is the not-for-profit corporation's Board of Directors, which is comprised of not less than three members. The board has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Brevard County School Board (the "District"). The current charter is effective until June 30, 2033 and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the school is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

The School is located in Palm Bay, Florida for students from kindergarten through twelfth grade. These financial statements are for the year ended June 30, 2025, where approximately 1,093 students were enrolled for the year.

#### ***Basis of Presentation***

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

#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities. Any internal activity has been eliminated from the government-wide financial statements.

The statement of net position reports the School's financial position as of the end of the fiscal year. In this statement, the School's net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position.

## Pineapple Cove Classical Academy, Inc. Notes to Basic Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Government-wide and Fund Financial Statements (continued)***

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, such as food service and student activity fees; (2) operating grants such as the American Reserve Plan – Elementary and Secondary School Emergency Relief program, the National School Lunch Program, and state allocations; and (3) capital grants and contributions specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other local and miscellaneous sources.

The Statement of Activities is displayed using a net-cost format and reports 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. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, other items not included among program revenues are reported instead as general revenues.

#### ***Fund Financial Statements***

The financial transactions of the School are reported in individual funds in the governmental fund financial statements. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for the governmental funds. The School reports the following major governmental funds:

*General Fund* - the general fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

*Debt Service Fund* - to account for the resources accumulated and payments made for principal and interest on the revenue bonds.

*Special Revenue Fund* - accounts for specific revenues, such as federal funding including federal lunch programs that are legally restricted to expenditures for particular purposes. Also, accounts for the resources of the School's internal fund, which is used to administer monies collected in connection with school, student athletics, class and club activities.

*Capital Outlay Fund* – in accordance with guidelines established by the State of Florida. This fund accounts for all resources restricted for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus and Basis of Accounting***

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. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements 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 School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

***Budgets and Budgetary Accounting***

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

***Cash, Cash Equivalents, and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with maturities of three months or less at the date of acquisition.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash, Cash Equivalents, and Investments (continued)***

deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Money market mutual funds that have maturities of one year or less from the date of acquisition are reported at amortized cost that is approximately equivalent to fair value.

The School's investments are set aside to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital assets. These investments are reported as restricted in the Debt Service Fund in the Balance Sheet - Governmental Funds.

The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, Fair Value Measurement and Application, and other related standards which establish accounting and financial reporting standards for all investments.

***Restricted Assets***

Restricted assets include cash and cash equivalents that are related to the amounts that the School is required to segregate in connection with the issuance of bonds, including sinking fund and reserve requirements, as well as amounts segregated for capital projects of the School. The Indenture of Trust requires the establishment of the funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by Trustee.

***Due from Other Governments or Agencies***

Amounts due to the School by other governments or agencies relate to grants or programs for which the services have been provided by the School.

***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. Prepaid assets are reported as "non-spendable" in the funds financial statements to indicate that prepaids do not represent available expendable resources.

***Capital Assets***

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets (continued)***

market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government-wide statements. Proceeds received from the sale or disposal of capital assets are recorded as other financing sources in the governmental funds.

The right-of-use assets are measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets are amortized on a straight-line basis over the life of the related lease.

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

Building and improvements	10 – 40 years
Furniture, fixtures, and equipment	5 years
Right-of-use asset (computers and copiers)	3 – 5 years
Motor vehicles	5 years

***Interfund Transfers***

Interfund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

***Long-Term Debt and Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs - Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Compensated Absences***

The School grants a specific number of paid days off per school year. Full time employees are eligible for ten paid days off. In the event that available time is not used by the end of the benefit year, employees may "rollover" a maximum of five unused days for use in future benefit years. There is no "cash out" value for unused days. There is no termination payment for accumulated unused days.

GASB Codification Section C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future 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.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

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

***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 FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue Sources (continued)***

full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

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

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

***Net Position and Fund Balance Classification***

*Government-wide financial statements*

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

- a) *Net investment in capital assets* - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) *Restricted net position* - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) *Unrestricted net position* - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net Position and Fund Balance Classification (continued)***

*Fund financial statements*

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

- a) *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.
- b) *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. Restricted balances at year-end pertain to bond issuance.
- c) *Committed* - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) *Assigned* - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. As of June 30, 2025, there was \$44,393 in assigned cash for the School's internal accounts.
- e) *Unassigned* - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

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

***Income Taxes***

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made that requires disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

***Leases***

Lease contracts that provide the School 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 leased 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 leased 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. Leased 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.

***Recently Issued and Implemented Accounting Pronouncements***

During the year ended June 30, 2025, the following pronouncements became effective:

- *GASB Statement No. 101 – Compensated Absences* – Introduces a unified model for recording liabilities for compensated absences and requires retroactive application.
- *GASB Statement No. 102 – Certain Risk Disclosures* – Requires disclosure of significant concentrations or constraints that create vulnerability to substantial risk.

Management implemented these pronouncements in the current year; however, there was no significant impact to the financial statements or related note disclosures.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Pronouncements Issued But Not Yet Effective***

GASB issued the following pronouncements which will become effective in future years:

- *GASB Statement No. 103 – Financial Reporting Model Improvements* – Enhances Management’s Discussion and Analysis for more meaningful commentary and removing boilerplate sections, disallows extraordinary items and replaces them with classifications of unusual and infrequent items, refines the presentation of proprietary fund statements, and requires clearer reporting of major component units, and redesigns budgetary comparison information.
- *GASB Statement No. 104 – Disclosure of Certain Capital Assets* – Requires separate note disclosures for specific capital asset categories such as leased assets, intangible right-to-use assets, subscription-based IT assets, and other intangible assets.

The School is currently evaluating the effect that implementation of the new standards will have on its financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 29, 2025, 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.

**Note 2: CASH AND RESTRICTED CASH**

***Deposits***

Cash is made of deposits and cash on hand totaling \$541,933. The School has identified itself as a public entity. Therefore, the School's deposits must be placed with a financial institution designation by the Treasurer of the State of Florida as a "qualified public depository," as defined in Chapter 280, Florida Statutes. As of June 30, 2025, no amount of the School's cash balances were exposed to custodial credit risk.

***Restricted Cash***

The School held restricted cash in the amount of \$3,372,422 that was reported as a cash equivalent for financial statement reporting purposes. The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 2: CASH AND RESTRICTED CASH (Continued)**

***Restricted Cash (continued)***

At June 30, 2025, the School had \$271,052 invested in a money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2025, maturities of the fund's portfolio holdings are all within 30 days.

***Credit Risk***

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

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2025, all of the School's investments in money market mutual funds were held in a separate account by the bond trustee and designated as assets of the School.

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

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 3: CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2025:

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
<b>Capital assets, non-depreciable</b>				
Land	\$ 1,133,161	\$ -	\$ -	\$ 1,133,161
Construction in progress	17,600	-	-	17,600
<b>Capital assets, depreciable</b>				
Building and equipment	25,719,174	-	-	25,719,174
Improvements	289,643	51,078	-	340,721
Furniture, fixtures and equipment	1,046,006	30,592	-	1,076,598
Motor vehicles	17,500	60,051	-	77,551
Total capital assets	28,223,084	141,721	-	28,364,805
<b>Less accumulated depreciation</b>				
Building and equipment	(3,110,158)	(667,589)	-	(3,777,747)
Improvements	(126,388)	(35,845)	-	(162,233)
Furniture, fixtures and equipment	(735,665)	(104,985)	-	(840,650)
Motor vehicles	(11,375)	(10,063)	-	(21,438)
Total accumulated depreciation	(3,983,586)	(818,482)	-	(4,802,068)
Total capital assets, net	24,239,498	(676,761)	-	23,562,737
<b>Lease assets</b>				
Right-of-use lease assets	475,637	119,024	(146,453)	448,208
Less accumulated amortization	(298,168)	(83,068)	146,453	(234,783)
Total lease assets, net	177,469	35,956	-	213,425
Total capital assets and lease assets, net	\$ 24,416,967	\$ (640,805)	\$ -	\$ 23,776,162

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 3: CAPITAL ASSETS (Continued)**

For the fiscal year ended June 30, 2025, depreciation and amortization expense is allocated in the statement of activities by function as follows:

<i>For year ended June 30, 2025</i>	<b>Depreciation</b>	<b>Amortization</b>
Instruction	\$ 26,163	\$ 83,068
Student transportation services	21,172	-
Operation of plant	768,295	-
Food services	1,823	-
School administration	1,029	-
<b>Total depreciation and amortization expense</b>	<b>\$ 818,482</b>	<b>\$ 83,068</b>

**Note 4: MANAGEMENT AGREEMENT**

The School entered into a management agreement on June 30, 2018, with Classical Education Management, LLC to operate and manage the School. Effective September 2020, the management fee is \$480 per FTE student enrolled at the School per year, payable monthly. Monthly installments are adjusted throughout the year as the School's FEFP funds are received from the District. The contract recognizes the importance of the employment of a Director of Operations.

The agreement shall be renewed along with any renewals to the charter agreement, unless terminated by either party not less than 180 days prior to the expiration of the term. During the year ended June 30, 2025, the School incurred \$630,029 in fees related to this agreement.

At June 30, 2025, the School had amounts due from Classical Education Management, LLC of \$105,590 related to overpayments associated to the charter agreement.

**Note 5: TRANSACTIONS WITH SCHOOL DISTRICT AND OTHER RELATED SCHOOLS**

Pineapple Cove Classical School at West Melbourne, Inc. and Pineapple Cove Classical School at Lockmar, Inc. have common Board of Directors and management. As of June 30, 2025, the School has advances due from Pineapple Cove Classical School at Lockmar, Inc. and Pineapple Cove Classical School at West Melbourne, Inc. of \$281,792 and \$116,978, respectively.

Pursuant to the Charter School contract with the District, the District withholds an administrative fee from the qualifying revenues of the School. For the year ended June 30, 2025, administrative fees withheld by the District totaled \$37,756.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 6: INTERFUND TRANSFERS**

Interfund transfers in governmental funds as of June 30, 2025, consist of the following:

<i>For the year ended June 30, 2025</i>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
To transfer funds for debt service	\$ (17,145)	\$ -	\$ 1,759,215	\$ (1,742,070)
To reimburse lunch program expenditures	(89,657)	89,657	-	-
<b>Total transfers</b>	<b>\$ (106,802)</b>	<b>\$ 89,657</b>	<b>\$ 1,759,215</b>	<b>\$ (1,742,070)</b>

**Note 7: LONG-TERM LIABILITIES**

***Bonds Payable***

On February 13, 2019, the School issued tax-exempt revenue bonds (Series 2019A) for \$31,510,000 and taxable revenue bonds (Series 2019B) for \$560,000 secured by a mortgage on the School's property and buildings. The bonds were issued to finance the acquisition of land with an existing building and to finance the construction, improvement, installation, and equipment purchase of the new educational facility.

Series 2019A bonds are term bonds paying interest semi-annually at rates ranging from 4.5% to 5.375% with maturities starting on July 1, 2023 and ending July 1, 2054. Series 2019B bonds matured and were paid off as of July 1, 2022.

As required by the bond resolution, the School has established a sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

As described in the Loan Agreement, the School must maintain certain minimum requirements related to its debt service coverage ratio, days cash on hand, and enrollment levels. The minimum requirements and actual amounts follow:

<i>As of June 30, 2025</i>	<b>Minimum</b>	<b>Actual</b>
Debt service coverage ratio	1.10 : 1.00	1.00 : 1.00
Cash on hand requirement	45 days	15.6 days
Enrollment (FTE students)	1,113	1,077

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 7: LONG-TERM LIABILITIES (Continued)**

***Bonds Payable (continued)***

In accordance with the Trust Indenture, the Beneficial Owners of a majority in aggregate principal amount of the bonds then outstanding may direct the School to promptly employ a management consultant to review and analyze the operations and administration of the School, and submit written reports to the School and Trustee, and make such recommendations as to the operations and administration of the School. Failure of the School to achieve the a debt service coverage ratio of 1.00 to 1:00 will result in a default under the Loan Agreement. Failure of the School to achieve the a debt service coverage ratio of 1.10 to 1.00 (but not less than 1.00 to 1.00), and the cash on hand and/or the enrollment requirements as set forth above shall not constitute an event of default under the Loan Agreement.

The School's revenues are pledged under this bond issuance up to the remaining balance as of June 30, 2025. In the event of default, the maturity date can be accelerated and/or the underlying collateral may be subject to foreclosure.

Annual requirements to amortize all bonds payable outstanding as of June 30, 2025, are as follows:

<i>For the years ending June 30,</i>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 485,000	\$ 1,589,612	\$ 2,074,612
2027	505,000	1,567,787	2,072,787
2028	530,000	1,545,062	2,075,062
2029	555,000	1,521,213	2,076,213
2030-2034	2,950,000	7,202,794	10,152,794
2035-2039	3,755,000	6,378,475	10,133,475
2040-2044	4,940,000	5,295,181	10,235,181
2045-2049	6,400,000	3,852,525	10,252,525
2050-2054	7,230,000	2,056,763	9,286,763
2055	3,260,000	175,225	3,435,225
Less: unamortized bond discount	(322,020)	-	(322,020)
<b>Total</b>	<b>\$ 30,287,980</b>	<b>\$ 31,184,637</b>	<b>\$ 61,472,617</b>

The following is a summary of changes in long-term liabilities:

	<b>Balance, July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2025</b>	<b>Due in one year</b>
<i>Governmental activities:</i>					
Bond payable	\$ 31,075,000	\$ -	\$ (465,000)	\$ 30,610,000	\$ 485,000
Unamortized discount	(355,859)	-	33,839	(322,020)	(33,839)
<b>Total long-term debt</b>	<b>\$ 30,719,141</b>	<b>\$ -</b>	<b>\$ (431,161)</b>	<b>\$ 30,287,980</b>	<b>\$ 451,161</b>

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic Financial Statements**

**Note 7: LONG-TERM LIABILITIES (Continued)**

***Lease Liabilities***

The School held or entered into leases for various computer equipment and copiers for use in classrooms. The leases are noncancellable, with terms ranging from thirty-three to sixty-three months. The leases have nonrenewal clauses and the leased equipment and copiers revert to the lessor at the end of the lease. The interest rates on the leases ranged from 1.31% to 4.92% which were used to discount the annual lease payments to recognize the intangible right-of-use asset and lease liabilities. Risk-free interest rates as of the inception of the lease were used as the discount rate. For the year ended June 30, 2025, interest expense totaled \$6,681.

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

<i>For the years ending June 30,</i>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 70,284	\$ 8,449	\$ 78,733
2027	73,378	5,355	78,733
2028	69,201	2,544	71,745
2029	12,145	124	12,269
Total	\$ 225,008	\$ 16,472	\$ 241,480

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

	<b>Balance, July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2025</b>	<b>Due in one year</b>
Copiers	\$ 143,383	-	\$ (30,434)	\$ 112,949	\$ 31,966
Computers	46,809	119,024	(53,774)	112,059	38,318
Total long-term debt	\$ 190,192	\$ 119,024	\$ (84,208)	\$ 225,008	\$ 70,284

**Note 8: CONTINGENCIES AND CONCENTRATIONS**

Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the FEFP, which is based in part on a computation of the number of FTE students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits.

It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

**Pineapple Cove Classical Academy, Inc.**  
**Notes to Basic 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; administrative errors and omissions; personal injury; workers compensation and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with Paychex Business Solutions, LLC, a human resource management firm, typically known as a "Professional Employer Organization" (PEO). Under co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resource management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions. Subsequent to June 30, 2025, management terminated its relationship with Paychex Business Solutions, LLC and contracted with MP-HR, a non-PEO human resource and payroll company.

**Note 10: DEFINED CONTRIBUTION RETIREMENT PLAN**

The School's personnel, which are leased through Paychex Business Solutions, LLC, are eligible to participate in a defined contribution 401(k) plan sponsored by Paychex Business Solutions, LLC, covering employees who meet certain age and tenure requirements. Under the Paychex Retirement Services Plan (the "Plan"), the School matches 100% of the employee's contribution up to 3% of the employee's compensation. The School contributed \$114,750 to the Plan for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plan's assets, which are administered by Mid-Atlantic Trust Company. Subsequent to June 30, 2025, management merged the existing plan into the Secure Horizons 401(k) Plan which is administered by Pentegra Services, Inc. There were no significant changes in the eligibility or contribution requirements as a result of the merger.



# REQUIRED SUPPLEMENTARY INFORMATION



**Pineapple Cove Classical Academy, Inc.**  
**Budgetary Comparison Schedule – General Fund**

	<b>Budgeted Amounts</b>		
<i>For the year ended June 30, 2025</i>	<b>Original</b>	<b>Final</b>	<b>Actual</b>
<b>Revenues</b>	\$ 10,301,536	\$ 10,847,536	\$ 10,240,570
<b>Expenditures</b>			
Instruction	5,891,449	6,387,449	5,828,866
Student support services	332,067	332,067	367,340
Instruction related technology	211,145	211,145	136,225
Board	731,139	731,139	680,197
School administration	1,487,886	1,695,886	1,453,512
Fiscal services	19,000	19,000	-
Food services	-	-	18,567
Operation of plant	1,501,553	1,871,553	1,422,144
Community services	311,974	311,974	296,646
Debt service	-	-	84,208
Total expenditures	10,486,213	11,560,213	10,287,705
Excess of revenues over (under) expenditures	(184,677)	(712,677)	(47,135)
Transfers in (out)	(117,075)	(117,075)	(106,802)
Net change in fund balance	(301,752)	(829,752)	(153,937)
Fund balance at beginning of year	614,460	614,460	614,460
Fund balance at end of year	\$ 312,708	\$ (215,292)	\$ 460,523

**Notes to Budgetary Comparison Schedule**

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

**Pineapple Cove Classical Academy, Inc.**  
**Budgetary Comparison Schedule – Special Revenue Fund**

<i>For the year ended June 30, 2025</i>	<b>Budgeted Amounts</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Revenues</b>	\$ 506,272	\$ 506,272	\$ 507,589
<b>Expenditures</b>			
Instruction	-	-	-
Student support services	-	-	-
Instructional staff training services	-	-	-
Instruction related technology	-	-	-
School administration	-	-	-
Food services	623,347	623,347	597,246
Operation of plant	-	-	-
<b>Total expenditures</b>	<b>623,347</b>	<b>623,347</b>	<b>597,246</b>
Excess of revenues over (under) expenditures	(117,075)	(117,075)	(89,657)
Transfers in (out)	117,075	117,075	89,657
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**Notes to Budgetary Comparison Schedule**

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

*See Independent Auditor's Report.*



# OTHER REPORT





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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***

Board of Directors of  
Pineapple Cove Classical Academy, Inc.  
Palm Bay, 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 Pineapple Cove Classical Academy, Inc. (the "School") as of, and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 29, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying management letter as ML 2025-1.

We noted certain matters that were reported in a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated August 29, 2025.

### **School's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School's response to the findings identified in the accompanying management letter. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

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

Tallahassee, Florida  
August 29, 2025



# **MANAGEMENT LETTER AND INTERNAL CONTROL RECOMMENDATIONS**



## Management Letter as Required by Section 218.39(4) Florida Statutes

To the Board of Directors of  
Pineapple Cove Classical Academy, Inc.  
Palm Bay, Florida

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pineapple Cove Classical Academy, Inc., Palm Bay, Florida, as of and for the year ended June 30, 2025 and have issued our report thereon dated August 29, 2025.

### 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 those reports and schedules, which are dated August 29, 2025, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### OFFICIAL TITLE

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity is Pineapple Cove Classical Academy, Inc., 05-6529.

## Management Letter as Required by Section 218.39(4) Florida Statutes

### 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 Pineapple Cove Classical Academy, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Pineapple Cove Classical Academy, Inc. 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 Pineapple Cove Classical Academy, Inc. It is management's responsibility to monitor Pineapple Cove Classical Academy, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we have the recommendations which are described in the accompanying appendix to the management letter as item 2024-01.

### TRANSPARENCY

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to report the results of our determination as to whether Pineapple Cove Classical Academy, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Pineapple Cove Classical Academy, Inc. 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 which warrants the attention of those charged with governance. In connection with our audit, we do 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 Florida House of Representatives, the Florida Auditor General, the District School Board of Brevard County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Rigg & Ingram, L.L.C.*

Tallahassee, Florida  
August 29, 2025

**Pineapple Cove Classical Academy, Inc.**  
**Appendix to Management Letter**  
**June 30, 2025**

**CURRENT YEAR OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT’S RESPONSES:**

**BOND COVENANT NONCOMPLIANCE – 2025-01**

**CRITERIA:** The School’s Revenue Bonds include covenants requiring a minimum debt service coverage ratio, cash on hand, and enrollment, as described in the Loan Agreement. The School agrees to maintain a debt service coverage ratio of 1.1, cash on hand of 45 days, and enrollment of 1,113 FTE as of June 30, 2025.

**CONDITION:** As of June 30, 2025, the calculated debt service coverage ratio was 1.00, the cash on hand was 15.6 days, and enrollment was 1,077 per the final FEFP calculation. All amounts are below the minimum requirements specified within the Loan Agreement.

**CAUSE:** The condition results from management not monitoring the covenant calculation throughout the fiscal year and other factors related to the establishment and growth of a new School.

**EFFECT:** Further noncompliance with the covenant may have an adverse effect on the School’s financial position.

**RECOMMENDATION:** We recommend management and the Board engage a management consultant to review and analyze operations and administration of the School and submit to the School, Trustee and Bondholder a written report with recommendations for improvement as allowed by the Loan Agreement.

**VIEWS OF RESPONSIBLE OFFICIALS:** Management and the Board are aware that they did not meet their debt service, cash on hand, and enrollment covenants. The School is eligible for capital outlay funds and local millage revenue funds which will increase incoming cash. Management and the Board foresee no increases in expenditures from last year and will continue to monitor the situation closely throughout the year.



# REQUIRED COMMUNICATIONS



## Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the School. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the School's financial statements for the year ended June 30, 2025;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements of Pineapple Cove Classical Academy, Inc. for the year ended June 30, 2025 and have issued our report thereon dated August 29, 2025. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Auditor's responsibility under Government Auditing Standards</b></p>	<p>As stated in our engagement letter dated <b>March 24, 2025</b>, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the School. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client's responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of activities, functional expenses and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b> <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b> <i>Major risks and exposures facing the School and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</b></p>	<p>The significant accounting policies used by the School are described in Note 1 to the financial statements. No new significant accounting policies were adopted during the fiscal year.</p> <p>We noted no transactions entered into by the School during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the School's financial statements are neutral, consistent, and clear.</p>
<p><b>Required Supplementary Information</b> <i>The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p><b>Significant difficulties encountered in the audit</b> <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b> <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b> <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None noted.
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the School, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	See "Summary of Audit Adjustments" section.
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	To our knowledge, there were no such consultations with other accountants.
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	See "Internal Control Findings" section.
<p><b>Fraud and illegal acts</b>  <i>Fraud involving the School's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving the School's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

## Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Significant unusual accounting transactions</b>  <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the School's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Capital Assets	Capital assets are depreciated based on the School's estimate of their useful lives.	X	The School uses useful lives as suggested by applicable standards and guides for equipment, property and other capital assets.	The School's policies are in accordance with all applicable accounting guidelines.
Leases	Lease assets and liabilities are recorded based on the discounted value of cash flows required by the underlying lease agreement.	X	The School used either the implicit rate within the lease or its risk free borrowing rate to discount cash flows.	The School's policies are in accordance with all applicable guidelines.

## Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the School and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the School or passed (uncorrected).

Adjustments recorded by the School are included in the attached schedule.

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the School's operating environment that has been identified as playing a significant role in the School's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

## Summary of Audit Adjustments

### ADJUSTING JOURNAL ENTRIES – MAIN

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
PBC adjusting entries			
100-7900-5100	Supplies and Materials	3,131	
100-2212-0000	Due to John Moran		3,131
<b>Total</b>		<u><u>3,131</u></u>	<u><u>3,131</u></u>
<b>Adjusting Journal Entries JE # 2</b>			
To make adjustments to full-accrual adjustments. Adjustments made to unrestricted net assets should have been made to net assets invested in capital assets.			
100-2790-0000	Unrestricted Net Assets	24,226,775	
100-2790-000	Net assets invested in capital assets		24,226,775
<b>Total</b>		<u><u>24,226,775</u></u>	<u><u>24,226,775</u></u>
<b>Adjusting Journal Entries JE # 3</b>			
Reclass transfer from bond repair account reimb roof repair			
100-2212-0000	Due to John Moran	85,794	
200-1128-0000	Repair Fund 133974-014		85,794
<b>Total</b>		<u><u>85,794</u></u>	<u><u>85,794</u></u>
<b>Adjusting Journal Entries JE # 4</b>			
Payroll accrual July 2025			
100-5100-1200	Classroom Teachers	316,165	
100-5100-2200	Social Security	17,538	
100-5140-1200	Classroom Teachers	1,561	
100-5140-2200	Social Security	119	
100-5200-1200	Classroom Teachers	47,504	
100-5200-2200	Social Security	3,688	
100-6100-1300	Other Certified Personnel	20,497	
100-6100-2200	Social Security	1,474	
100-7300-1100	Adminstrator	84,281	
100-7300-2200	Social Security	6,300	
100-7900-1600	Other Support Personnel	23,512	
100-7900-2200	Social Security	1,783	
100-9100-1600	Other Support Personnel	16,616	
100-9100-2200	Social Security	1,930	
410-7600-1600	Other Support Personnel	11,977	
410-7600-2200	Social Security	910	
100-2100-0000	Accrued Salaries and Benefits		555,855
<b>Total</b>		<u><u>555,855</u></u>	<u><u>555,855</u></u>
<b>Adjusting Journal Entries JE # 5</b>			
PBC entry to convert bond payable data from modified accrual to full accrual.			
100-2790-000	Net assets invested in capital assets	30,719,141	
200-9200-7800	Amortization expense	33,839	
200-2250-0000	Bond payable - current portion		431,161
200-2320-0000	Bond payable		29,856,819
200-9200-7200	Principal		465,000
<b>Total</b>		<u><u>30,752,980</u></u>	<u><u>30,752,980</u></u>
<b>Adjusting Journal Entries JE # 6</b>			
To reclass net assets invested in capital assets			
100-2790-000	Net assets invested in capital assets	244,463	
100-2790-0000	Unrestricted Net Assets		244,463
<b>Total</b>		<u><u>244,463</u></u>	<u><u>244,463</u></u>

## Summary of Audit Adjustments

### ADJUSTING JOURNAL ENTRIES – MAIN (Continued)

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 7</b>			
FEFP admin fee			
100-5100-7300	Dues and Fees	37,756	
100-3310-0000	FEFP - Brevard Cty Sch District		37,756
<b>Total</b>		<u><u>37,756</u></u>	<u><u>37,756</u></u>
<b>Adjusting Journal Entries JE # 8</b>			
Record additional amount payable to CEM.			
100-7100-3100	Contracted Services	40,099	
100-2212-0000	Due to John Moran		40,099
<b>Total</b>		<u><u>40,099</u></u>	<u><u>40,099</u></u>
<b>Adjusting Journal Entries JE # 9</b>			
Identification of additional prepaid expenses related to Summer Cheer Camp and forgiveness of debt from John Moran.			
100-1230-0000	Prepaid Expenses	30,542	
100-2212-0000	Due to John Moran	47,466	
100-7100-3100	Contracted Services		47,466
100-9900-7300	Dues and Fees		30,542
<b>Total</b>		<u><u>78,008</u></u>	<u><u>78,008</u></u>



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*Mrs. Lisa Wheeler, Principal*

August 29, 2025

Carr, Riggs & Ingram, L.L.C.  
2633 Centennial Boulevard – Suite – 200  
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Pineapple Cove Classical Academy, Inc., which comprise the respective financial position of the governmental activities, each major fund as of June 30, 2025, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 24, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.



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## Management Representation Letter

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Pineapple Cove Classical Academy, Inc. is contingently liable, if any, have been properly recorded or disclosed.

### Information Provided

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Pineapple Cove Classical Academy, Inc. from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Pineapple Cove Classical Academy, Inc. and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Pineapple Cove Classical Academy, Inc.'s financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements other than non-compliance with the debt service coverage ratio, cash on hand, and minimum enrollment associated with the Loan Agreement.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the Pineapple Cove Classical Academy, Inc.'s related parties and all the related party relationships and transactions, including any side agreements.


### Government-specific

## Management Representation Letter

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) The Pineapple Cove Classical Academy, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with [GASB Statement \(GASBS\) No. 87](#).
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements, required supplementary information and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, required supplementary information and disclosures.
- 31) The Pineapple Cove Classical Academy, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets; however, all capital assets have been pledged as collateral under the loan agreement of the Revenue Bonds outstanding at June 30, 2025.
- 32) The Pineapple Cove Classical Academy, Inc. has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance other than non-compliance with certain bond covenants.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by [GASBS No. 84](#), as amended.
- 35) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.

## Management Representation Letter

- 36) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) We have appropriately disclosed the Pineapple Cove Classical Academy, Inc.'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: 

Title: Director of School Operations

Signature: Allison Becka

Title: Accountant