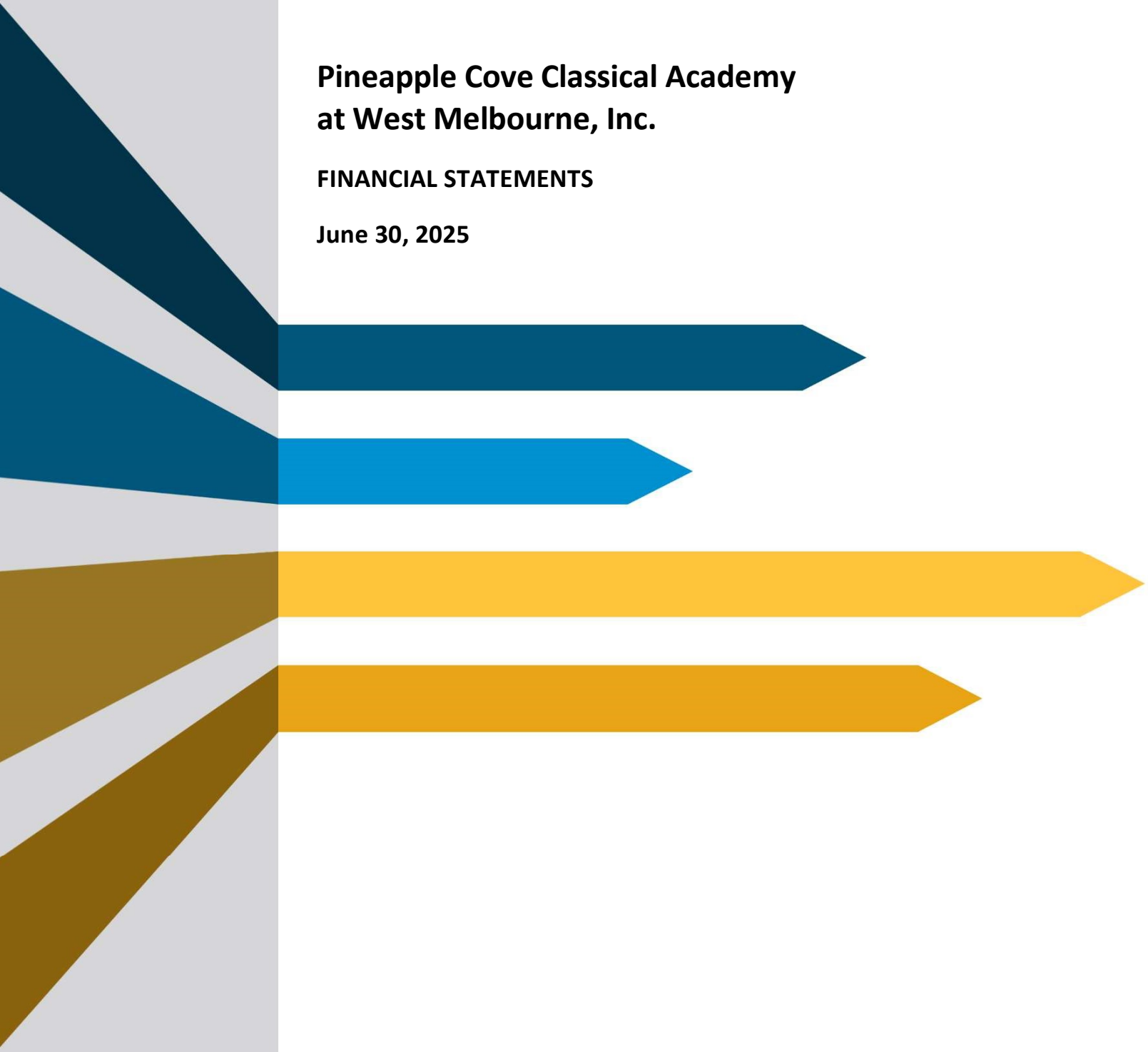
Pineapple Cove Classical Academy at West Melbourne, Inc.

FINANCIAL STATEMENTS

June 30, 2025



Pineapple Cover Classical Academy at West Melbourne, Inc.
Table of Contents
June 30, 2025

	Page
REPORT	
Independent Auditor's Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	
Management's Discussion and Analysis (Required Supplementary Information)	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	32
Budgetary Comparison Schedule – Special Revenue Fund	33
OTHER REPORT	
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*	34
MANAGEMENT LETTER AND INTERNAL CONTROL RECOMMENDATIONS	
Management Letter as Required by Section 218.39(4) Florida Statutes	36
Appendix to Management Letter - Current Year's Observations, Recommendations, and Management's Responses, June 30, 2025	38

REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pineapple Cove Classical Academy at West Melbourne, Inc.
West Melbourne, 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 at West Melbourne, Inc. (the "School"), a charter school and component unit of the District School Board of Brevard County, Florida 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 and budgetary comparison information on pages 4 through 8 and 32 through 33 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 October 7, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

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

Tallahassee, FL
October 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The corporate officers of Pineapple Cove Classical Academy at West Melbourne, Inc. 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 Charter School at June 30, 2025 was a deficit of $(3,523,293).
2. At June 30, 2025, the School had current assets on hand of $1,274,629, including restricted cash of $26,292.
3. The net position of the School decreased by $(847,753) during the year.
4. The unassigned fund balance at year end was $453,033.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2025 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: I) 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 the four is reported as *net position.* Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

The government-wide financial statements can be found on pages 9-10 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.

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 11-14 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 - 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 $(3,523,293) 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:

June 30,	**2025**	2024
Assets		
Cash	**$ 126,194**	$ 469,412
Cash, restricted	**26,292**	12,869
Prepaid expenses and other assets	**8,069**	7,871
Due from other agencies	**457,829**	428,001
Due from related schools	**656,245**	603,487
Capital and right-of-use assets, net	**19,429,636**	19,956,693
Total assets	**20,704,265**	21,478,333
Liabilities		
Accounts payable and accrued liabilities	**750,888**	393,365
Accrued interest	**62,639**	63,524
Lease liabilities	**139,296**	145,292
Bond payable	**23,274,735**	23,551,692
Total liabilities	**24,227,558**	24,153,873
Net position (deficit)		
Net investment in capital assets	**(3,984,395)**	(3,740,291)
Restricted	**26,292**	12,869
Unrestricted	**434,810**	1,051,882
Total net position (deficit)	**$ (3,523,293)**	$ (2,675,540)

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:

For the years ended June 30,	**2025**	2024
Revenues		
Program revenues		
Federal sources	**$ 867,121**	$ 867,121
Capital grants and contributions	**1,778,327**	2,283,070
Lunch program	**398,711**	418,367
Charges for services	**612,912**	582,634
General revenues		
Local sources (FTE and other non-specific)	**6,623,825**	6,345,514
Other revenue	**26,616**	35,861
Total revenues	**10,307,512**	10,532,567
Expenses		
Instruction	**4,705,366**	4,630,984
Student support services	**300,240**	302,027
Instruction related technology	**156,149**	89,903
Board	**662,383**	687,582
School administration	**1,010,910**	963,032
Fiscal services	**-**	16,000
Food services	**633,029**	530,741
Operation of plant	**1,461,152**	1,424,421
Community services	**591,564**	441,720
Debt service	**1,634,472**	1,660,396
Total expenses	**11,155,265**	10,746,806
Change in net position (deficit)	**(847,753)**	(214,239)
Net position (deficit) at beginning of year	**(2,675,540)**	(2,461,301)
Net position (deficit) at end of year	**$ (3,523,293)**	$ (2,675,540)

The School's revenues and expenses (decreased) increased by $(225,055) and $408,459, respectively. The School had a decrease in its net position (deficit) of $(847,753) 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 the end of the fiscal year, the School's governmental general fund reported ending fund balance of $461,102. The fund balance unassigned and available for spending at the School's discretion is $453,033. These funds will be 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 $19,429,636 (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 includes computer and copier equipment. As of June 30, 2025, the School had long-term liabilities of $23,414,031 associated to its capital assets and right-of-use assets.

Activity for the year ended June 30, 2025 follows:

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
Land, buildings and equipment	$ 22,522,052	$ 126,367	$ -	$ 22,648,419
Right-of-use assets	270,995	97,467	-	368,462
Subtotal	22,793,047	223,834	-	23,016,881
Accumulated depreciation	(2,726,826)	(661,522)	-	(3,388,348)
Accumulated amortization	(109,528)	(89,369)	-	(198,897)
Subtotal	(2,836,354)	(750,891)	-	(3,587,245)
Capital assets, net	$ 19,956,693	$ (527,057)	$ -	$ 19,429,636

Long-term Debt

Activity for the year ended June 30, 2025 follows:

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025
Bonds payable, net	$ 23,551,692	$ -	$ (276,957)	$ 23,274,735
Operating lease liabilities	145,292	97,467	(103,463)	139,296
Long-term debt	$ 23,696,984	$ 97,467	$ (380,420)	$ 23,414,031

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.

	Governmental Funds		
For the year ended June 30, 2025	**Original Budget**	**Final Budget**	**Actual**
Revenues			
State passed through local	$ 6,671,854	$ 6,683,378	$ 6,744,957
State capital outlay funding	522,600	508,883	509,012
Local capital improvement revenue	983,809	969,542	966,971
Local sources	995,332	814,284	819,051
Federal sources	280,090	258,574	156,095
Charges for services	720,621	704,164	1,084,810
Other revenues	113,595	142,250	26,616
Total revenues	10,287,901	10,081,075	10,307,512
Current expenditures			
Instruction	4,742,282	4,857,187	4,371,984
Student support services	350,871	326,451	300,240
Instruction related technology	154,005	154,005	122,833
Board	622,902	697,777	662,383
School administration	860,904	953,236	1,010,910
Fiscal services	19,000	19,000	-
Food services	480,845	591,693	606,247
Operation of plant	826,919	986,231	890,955
Community services	219,429	219,479	591,564
Debt service	1,860,751	1,860,751	2,014,892
Capital outlay	-	-	223,834
Total current expenditures	10,137,908	10,665,810	10,795,842
Excess of revenues over current expenditures	$ 149,993	$ (584,735)	$ (488,330)

Requests for Information

This financial report is designed to provide a general overview of the Pineapple Cove Classical Academy at West Melbourne, 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 at West Melbourne, Inc., 3455 Norfolk Parkway, West Melbourne, Florida 32904.

BASIC FINANCIAL STATEMENTS

Pineapple Cove Classical Academy at West Melbourne, Inc.
Statement of Net Position

June 30, 2025	Governmental Activities
Assets	
Current assets	
Cash	$ 126,194
Cash and cash equivalents, restricted	26,292
Due from other agencies	457,829
Prepaid expenses and other current assets	8,069
Due from related schools	656,245
Total current assets	1,274,629
Capital assets and lease assets, net	
Capital assets, non-depreciable	968,541
Capital assets, depreciable	21,679,878
Less: accumulated depreciation	(3,388,348)
Right-of-use lease asset	368,462
Less: accumulated amortization	(198,897)
Total capital assets and lease assets, net	19,429,636
Total assets	20,704,265
Deferred outflows of resources	-
Liabilities	
Current liabilities	
Salaries and wages payable	601,186
Accounts payable and accrued expenses	149,702
Accrued interest on bonds	62,639
Bond payable, current	298,351
Operating lease liabilities, current	87,029
Total current liabilities	1,198,907
Non-current liabilities	
Bond payable	22,976,384
Operating lease liabilities	52,267
Total non-current liabilities	23,028,651
Total liabilities	24,227,558
Deferred inflows of resources	-
Net position (deficit)	
Net investment in capital assets	(3,984,395)
Restricted for:	
Debt service	26,292
Unrestricted	434,810
Total net position (deficit)	$ (3,523,293)

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

Pineapple Cove Classical Academy at West Melbourne, Inc.
Statement of Activities

For the year ended June 30, 2025

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position
Governmental activities:					
Instruction	$ 4,705,366	$ -	$ 504,023	$ -	$ (4,201,343)
Student support services	300,240	-	-	-	(300,240)
Instruction related technology	156,149	-	-	-	(156,149)
Board	662,383	-	-	-	(662,383)
School administration	1,010,910	-	67,856	-	(943,054)
Food services	633,029	398,711	114,072	-	(120,246)
Operation of plant	1,461,152	-	411,892	1,475,983	426,723
Community services	591,564	612,912	71,622	-	92,970
Debt service	1,634,472	-	-	-	(1,634,472)
Total governmental activities	$ 11,155,265	$ 1,011,623	$ 1,169,465	$ 1,475,983	(7,498,194)
General revenues					
FTE and other nonspecific revenues					6,623,825
Interest and dividends					26,616
Total general revenues					6,650,441
Change in net position					(847,753)
Net position (deficit) at beginning of year					(2,675,540)
Net position (deficit) at end of year					$ (3,523,293)

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

Pineapple Cove Classical Academy at West Melbourne, Inc.
Balance Sheet – Governmental Funds

June 30, 2025	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash	$ 126,194	$ -	$ -	$ -	$ 126,194
Cash and cash equivalents, restricted	15,246	11,046	-	-	26,292
Prepaid expenses and other current assets	8,069	-	-	-	8,069
Due from related schools	656,245	-	-	-	656,245
Due from other agencies	439,528	-	-	18,301	457,829
Due from other funds	18,301	51,593	-	-	69,894
Total assets	1,263,583	62,639	-	18,301	1,344,523
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,263,583	$ 62,639	$ -	$ 18,301	$ 1,344,523
Liabilities					
Salaries and wages payable	$ 601,186	$ -	$ -	$ -	$ 601,186
Accounts payable and accrued expenses	149,702	-	-	-	149,702
Accrued interest on bonds	-	62,639	-	-	62,639
Due to other funds	51,593	-	-	18,301	69,894
Total liabilities	802,481	62,639	-	18,301	883,421
Deferred inflows of resources	-	-	-	-	-
Fund balance					
Nonspendable, not in spendable form	8,069	-	-	-	8,069
Unassigned	453,033	-	-	-	453,033
Total fund balance	461,102	-	-	-	461,102
Total liabilities, deferred inflows of resources and fund balance	$ 1,263,583	$ 62,639	$ -	$ 18,301	$ 1,344,523

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

Pineapple Cove Classical Academy at West Melbourne, Inc.
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position

June 30, 2025

Total fund balance - governmental funds		$ 461,102
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, non-depreciable	968,541	
Capital assets, depreciable	21,679,878	
Less: accumulated depreciation	(3,388,348)	
Right-of-use asset	368,462	
Less: accumulated amortization	(198,897)	19,429,636
Long-term liabilities in govermental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(23,414,031)
Total net position - governmental funds		$ (3,523,293)

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

Pineapple Cove Classical Academy at West Melbourne, Inc.
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

For the year ended June 30, 2025	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
State passed through local	$ 6,744,957	$ -	$ -	$ -	$ 6,744,957
State capital outlay funding	-	-	-	509,012	509,012
Local capital improvement revenue	-	-	-	966,971	966,971
Local sources	819,051	-	-	-	819,051
Federal sources	42,044	-	114,051	-	156,095
Charges for services	686,099	-	398,711	-	1,084,810
Other revenues	7,203	19,413	-	-	26,616
Total revenues	8,299,354	19,413	512,762	1,475,983	10,307,512
Expenditures					
Current					
Instruction	4,371,984	-	-	-	4,371,984
Student support services	300,240	-	-	-	300,240
Instruction related technology	122,833	-	-	-	122,833
Board	662,383	-	-	-	662,383
School administration	1,010,910	-	-	-	1,010,910
Food services	-	-	606,247	-	606,247
Operation of plant	890,955	-	-	-	890,955
Community services	591,564	-	-	-	591,564
Capital outlay					
Other capital outlay	97,467	-	-	126,367	223,834
Debt service					
Redemption of principal	-	418,463	-	-	418,463
Interest	-	1,596,429	-	-	1,596,429
Total expenditures	8,048,336	2,014,892	606,247	126,367	10,795,842
Excess (deficit) of revenues over expenditures	251,018	(1,995,479)	(93,485)	1,349,616	(488,330)
Other financing sources (uses)					
Lease financing	97,467	-	-	-	97,467
Transfers in (out)	(739,348)	1,995,479	93,485	(1,349,616)	-
Total other financing sources (uses)	(641,881)	1,995,479	93,485	(1,349,616)	97,467
Net change in fund balance	(390,863)	-	-	-	(390,863)
Fund balance, beginning of year	851,965	-	-	-	851,965
Fund balance, end of year	$ 461,102	$ -	$ -	$ -	$ 461,102

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

Pineapple Cove Classical Academy at West Melbourne, Inc.
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the year ended June 30, 2025

Net change in fund balance - governmental funds		$ (390,863)
Amounts reported for governmental activities in the statement of activities are different		
Receivables in governmental activities that are not considered available to pay current liabilities are not financial resources and therefore are not reported in the governmental funds.		
Earned income credits receivable		(212,786)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense.		
Capital outlay	223,834	
Depreciation and amortization expense	(750,891)	(527,057)
Increase in long term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Amortization of bond discounts		(38,043)
Principal payments on long-term liabilities		418,463
Change in net position of governmental activities		$ (847,753)

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Pineapple Cove Classical Academy at West Melbourne, 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, 2027 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 West Melbourne, Florida for students from kindergarten through twelfth grade. These financial statements are for the year ended June 30, 2025, where approximately 821 students were enrolled for the year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States 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 (deficit) 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.

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: (I) charges for services, such as food service and student activity fees; (2) operating grants such as American Rescue 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 properly 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 statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the 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, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes.

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

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 deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Investments money market mutual

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments (continued)

Funds mutual funds that have maturities of one year or less from the date of acquisition are reported at amortized cost that is equally 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 and are classified as restricted. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are 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 initially 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
Information technology equipment	5 years

Inter-fund 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 I30: *Interest Costs - Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Debt and Obligations (continued)

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.

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 benefits years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Deferred Outflows/Inflows of Resources

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (continued)

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 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 FTE students reported by the School during the designated FTE 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.

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. GASS 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. There are no assigned fund balances at year end.

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 requiring 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.

Use of Estimates

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 7, 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 $126,194. The School has identified itself as a public entity. Therefore, the School's deposit 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 held were exposed to custodial credit risk.

Restricted Cash

The School held restricted cash in the amount of $26,292 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.

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.

Note 2: CASH AND RESTRICTED CASH (Continued)

Credit Risk (continued)

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.

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
Capital assets, non-depreciable				
Land	$ 950,000	$ 18,541	$ -	$ 968,541
Capital assets, depreciable				
Building and equipment	20,648,083	59,198	-	20,707,281
Improvements	143,548	-	-	143,548
Furniture, fixtures and equipment	511,686	48,628	-	560,314
Information technology equipment	268,735	-	-	268,735
Total capital assets	22,522,052	126,367	-	22,648,419
Less accumulated depreciation				
Building and equipment	(2,335,043)	(522,693)	-	(2,857,736)
Improvements	(20,895)	(14,355)	-	(35,250)
Furniture, fixtures and equipment	(181,029)	(93,740)	-	(274,769)
Information technology equipment	(189,859)	(30,734)	-	(220,593)
Total accumulated depreciation	(2,726,826)	(661,522)	-	(3,388,348)
Total capital assets, net	19,795,226	(535,155)	-	19,260,071
Lease assets				
Right-of-use lease assets (copiers and laptops)	270,995	97,467	-	368,462
Less accumulated amortization	(109,528)	(89,369)	-	(198,897)
Total lease assets, net	161,467	8,098	-	169,565
Governmental activities capital assets, net	$ 19,956,693	$ (527,057)	$ -	$ 19,429,636

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:

For year ended June 30, 2025	Depreciation	Amortization
Instruction	$ 31,227	$ 89,369
Instructional technology	33,316	-
Operation of plan	570,197	-
Food services	26,782	-
Total depreciation and amortization expense	$ 661,522	$ 89,369

Note 4: MANAGEMENT AGREEMENT

The School entered into a management agreement, as amended on January 23, 2019, with Classical Education Management, L.L.C. Inc. to operate and manage the School. Effective July 1, 2023, the management fee is based on 10% of the net FEFP receipts payable monthly. Monthly installments are adjusted throughout the year as the Charter School's FEFP are received from the Brevard County School 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 $663,328 in fees related to this agreement.

Note 5: TRANSACTIONS WITH SCHOOL DISTRICT AND OTHER RELATED SCHOOLS

The Schools, Pineapple Cove Classical Academy at West Melbourne, Inc. and Pineapple Cove Classical Academy at Lockmar, Inc. have board members and the Manager in common. As of June 30, 2025, the School has advances due from Pineapple Cove Classical Academy, Inc. of approximately $123,078 for expenses paid on behalf of the School. In addition, the School, has advances due from Pineapple Cove Classical Academy at Lockmar, Inc. of approximately $533,167.

Pursuant to the Charter School contract with the School 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 School District totaled $39,878.

Note 6: INTERFUND TRANSFERS

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

For the year ended June 30, 2025	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund
To transfer funds for debt service	$ (645,863)	$ 1,995,479	$ -	$ (1,349,616)
To fund lunch program expenditures	(93,485)	-	93,485	-
Total transfers, net	$ (739,348)	$ 1,995,479	$ 93,485	$ (1,349,616)

June 30, 2025	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund
Due to general fund from capital projects fund for capital outlay	$ 18,301	$ -	$ -	$ (18,301)
Due to debt service fund for bond interest	(51,593)	51,593	-	-
Total due from (due to)	$ (33,292)	$ 51,593	$ -	$ (18,301)

Note 7: LONG-TERM LIABILITIES

Bonds Payable

The construction of the School's facility in 2018, was financed by the issuance of Series 2018A and 2018B bonds. Series 2018A totaled $13,580,000 as an educational facilities revenue bond, maturing June 15, 2052, and carried interest of 6.25%. Series 2018B totaled $480,000 as a taxable educational facilities revenue bond, maturing June 15, 2024, and carried interest of 7.75%.

The 2018 bond issuance included original issue discount and underwriter's discount totaling $761,145 and $156,855 for the Series 2018A and 2018B revenue bonds, respectively, which are not recognized in the fund level statements but are deferred and included in the government-wide statements against the face value of the debt. The bond discounts are amortized over the various lives of the debt through 2052. Amortization expense of the discounts of $38,043 was charged against bond discount amortization for the year ended June 30, 2025.

The construction of the School's facility in 2021, was financed by the issuance of Series 2021 A and 2021B bonds. Series 2021A totaled $6,800,000 as an educational facilities revenue bond, maturing June 15, 2056, and carried interest of 6.00%. Series 2021B totaled $4,030,000 as an educational facilities revenue bond, maturing June 15, 2056, and carried interest of 6.625%. Series 2021C totaled $405,000 as a taxable educational facilities revenue bond, maturing June 15, 2027, and carried interest of 7.750%.

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.

Note 7: LONG-TERM LIABILITIES (Continued)

Bonds Payable (continued)

The School is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement. In addition, the School is required to maintain certain enrollment and school grades as provided by Florida Department of Education. The minimum debt service coverage ratio is 1.10 to 1 (the "Debt Service Coverage Requirement") as of June 30, 2025. The calculated Debt Service Coverage requirement was 1.43 to 1 at June 30, 2025 which is in compliance. The School agrees to have cash on hand at June 30, 2025 and each June 30 thereafter, until the bonds are no longer outstanding in an amount not less than 45 days of the cash on hand calculation. As of June 30, 2025, the calculated days cash on hand was below the 45 days limit at 4.43 days, which is less than the minimum requirement. The School is required to maintain enrollment at or above 736 FTE. As of June 30, 2025, FTE enrollment was 821. Finally, the School must obtain a school grade of “B” or better. For fiscal 2025, the School received a “B” or higher in all categories.

As such, the Trustee may hire a Management Consultant related to the days cash on hand noncompliance. In the event, the School may agree to consider any recommendations by the Management Consultant and, to the fullest extent practicable, to adopt and carry out such recommendations. In addition, the School will pay for all reasonable costs associated with such Management Consultant.

In addition, the Management Agreement payments are subordinate to the bond if the payment would cause a failure of the School to satisfy the cash on hand requirement or the Debt service coverage ratio.

The School's revenues are pledged under this bond issuance up to the remaining balance as of June 30, 2025. ln 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 bonded debt outstanding as of June 30, 2025, are as follows:

For the years ending June 30,	**Principal**	**Interest**	**Total**
2026	$ 335,000	$ 1,524,188	$ 1,859,188
2027	360,000	1,501,226	1,861,226
2028	365,000	1,476,551	1,841,551
2029	390,000	1,453,775	1,843,775
2030	415,000	1,429,431	1,844,431
2031-2035	2,495,000	6,725,076	9,220,076
2036-2040	3,375,000	5,843,031	9,218,031
2041-2045	4,570,000	4,650,251	9,220,251
2046-2050	6,185,000	3,034,395	9,219,395
2051-2055	5,090,000	1,044,182	6,134,182
2056	770,000	48,037	818,037
Less: unamortized bond discount	(1,075,265)	-	(1,075,265)
Total	$ 23,274,735	$ 28,730,143	$ 52,004,878

Note 7: LONG-TERM LIABILITIES (Continued)

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

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025	Due in one year
Revenue Bonds:					
Series 2018A	$ 13,430,000	$ -	$ (190,000)	$ 13,240,000	$ 200,000
Series 2021A	6,800,000	-	-	6,800,000	-
Series 2021B	4,030,000	-	-	4,030,000	-
Series 2021C	405,000	-	(125,000)	280,000	135,000
Total revenue bonds	24,665,000	-	(315,000)	24,350,000	335,000
Unamortized bond discount:					
Series 2018A	(620,135)	-	21,747	(598,388)	(21,747)
Series 2018B	(1,393)	-	1,393	-	-
Series 2021A	(308,781)	-	9,358	(299,423)	(9,357)
Series 2021B	(182,999)	-	5,545	(177,454)	(5,545)
Total unamortized bond discount	(1,113,308)	-	38,043	(1,075,265)	(36,649)
Total long-term debt	$ 23,551,692	$ -	$ (276,957)	$ 23,274,735	$ 298,351

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 computers and copiers revert to the lessor at the end of the lease. The interest rates on the leases ranged from 1.635% to 9.761% which were used to discount the annual lease payments to recognize the intangible right to use asset and lease liabilities upon adoption of GASB 87. For the year ended June 30, 2025, interest expense related to the leases totaled $6,537.

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

For the years ending June 30,	Principal	Interest	Total
2026	$ 87,029	$ 3,856	$ 90,885
2027	39,884	1,003	40,887
2028	12,383	251	12,634
	$ 139,296	$ 5,110	$ 144,406

Note 7: LONG-TERM LIABILITIES (Continued)

Lease Liabilities (continued)

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

	Balance, July 1, 2024	Additions	Deletions	Balance, June 30, 2025	Due in one year
Copiers	$ 66,671	$ -	$ (24,370)	$ 42,301	$ 25,187
Laptops	38,593	97,467	(54,533)	81,527	46,373
Playground	40,028	-	(24,560)	15,468	15,469
Total long-term debt	$ 145,292	$ 97,467	$ (103,463)	$ 139,296	$ 87,029

Note 8: 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 in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits.

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

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 "Professional Employer Organization" (PEO). Under a co-employment agreement, 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.

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 40l (k) sponsored by leasing company, 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 to the Plan $94,974 for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Mid-Atlantic Trust Company.

REQUIRED SUPPLEMENTARY INFORMATION

Pineapple Cove Classical Academy at West Melbourne, Inc.
Budgetary Comparison Schedule – General Fund

For the year ended June 30, 2025	General Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance**
Revenues				
State passed through local	$ 6,671,854	$ 6,793,681	$ 6,744,957	$ (48,724)
Federal sources	25,065	36,046	42,044	5,998
Local sources	995,332	814,284	819,051	4,767
Charges for services	311,653	295,196	686,099	390,903
Other revenues	99,795	128,750	7,203	(121,547)
Total revenues	8,103,699	8,067,957	8,299,354	231,397
Expenditures				
Current				
Instruction	4,742,282	4,857,187	4,371,984	485,203
Student support services	350,871	326,451	300,240	26,211
Instruction related technology	154,005	154,005	122,833	31,172
Board	622,902	697,777	662,383	35,394
School administration	860,904	953,236	1,010,910	(57,674)
Fiscal services	19,000	19,000	-	19,000
Operation of plant	826,919	986,231	890,955	95,276
Community services	219,429	219,479	591,564	(372,085)
Capital outlay	-	-	97,467	(97,467)
Total current expenditures	7,796,312	8,213,366	8,048,336	165,030
Excess of revenues over current expenditures	307,387	(145,409)	251,018	396,427
Other financing sources (uses)				
Leases	-	-	97,467	97,467
Transfers in (out)	-	(281,859)	(739,348)	(457,489)
Total other financing sources (uses)	-	(281,859)	(641,881)	(360,022)
Net change in fund balance	307,387	(427,268)	(390,863)	36,405
Fund balance at beginning of year	851,965	851,965	851,965	-
Fund balance at end of year	$ 1,159,352	$ 424,697	$ 461,102	$ 36,405

See Independent Auditor's Report.

Pineapple Cove Classical Academy at West Melbourne, Inc.
Budgetary Comparison Schedule – Special Revenue Fund

	Special Revenue Fund			
For the year ended June 30, 2025	**Original Budget**	**Final Budget**	**Actual**	**Variance**
Revenues				
Federal sources	$ 225,025	$ 112,225	$ 114,051	$ 1,826
Charges for services	408,968	408,968	398,711	(10,257)
Total revenues	633,993	521,193	512,762	(8,431)
Expenditures				
Current				
Food services	480,845	591,693	606,247	(14,554)
Total current expenditures	480,845	591,693	606,247	(14,554)
Excess of revenues over current expenditures	153,148	(70,500)	(93,485)	(22,985)
				-
Other financing sources (uses)				-
Transfers in (out)	-	86,967	93,485	6,518
Net change in fund balance	153,148	16,467	-	(16,467)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ 153,148	$ 16,467	$ -	$ (16,467)

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*

To the Board of Directors
Pineapple Cove Classical Academy at West Melbourne, Inc.
West Melbourne, 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 at West Melbourne, 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 October 7, 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 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 item ML-2025-01.

We issued a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated October 7, 2025.

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
October 7, 2025

MANAGEMENT LETTER AND INTERNAL CONTROL RECOMMENDATIONS

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

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

To the Board of Directors of
Pineapple Cove Classical Academy at West Melbourne, Inc.
West Melbourne, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pineapple Cove Classical Academy at West Melbourne, Inc., West Melbourne, Florida, as of and for the year ended June 30, 2025 and have issued our report thereon dated October 7, 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; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance); 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,* Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated October 7, 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 recommendation made in the preceding financial audit report, except for the following:

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2023-2024 FY Finding No.	2022-23 FY Finding No.
ML-2025-01	ML-2024-01	ML-2023-01

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 at West Melbourne, Inc., 05-6543.

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 at West Melbourne, 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 at West Melbourne, 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 at West Melbourne, Inc. It is management's responsibility to monitor Pineapple Cove Classical Academy at West Melbourne, 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 ML-2025-01.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Pineapple Cove Classical Academy at West Melbourne, 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 at West Melbourne, 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 recommendations.

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, Riggs & Ingram, L.L.C.

Tallahassee, Florida
October 7, 2025

CURRENT YEAR OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES:

BOND COVENANT NONCOMPLIANCE – 2025-01

CRITERIA: The School's Revenue Bonds, include covenants for debt service coverage ratio (DSCR) and days cash on hand (DCOH) as described in the Loan Agreement. At June 30, 2025 and each June 30 thereafter, until the bonds are no longer outstanding the School agrees to maintain a DSCR of 1.10 to 1 and have cash on hand in an amount not less than 45 days of the cash on hand calculation.

CONDITION: As of June 30, 2025, the calculated days cash on hand was below the 45-day limit at 4.43 days.

CAUSE: The condition results from limited cash flow throughout the fiscal year.

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

RECOMMENDATION: We recommend management and the Board work with the bond consultant and bondholder to determine a plan to improve the available cash prior to the next fiscal year end.

VIEWS OF RESPONSIBLE OFFICIALS: The School monitors the DCOH and DSCR calculations. While the School did not meet the DCOH covenant as of June 30, 2025, the School had $457,829 of receivables from state agencies which equates to an additional 16 days of cash on hand upon collection.