

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
FORT PIERCE, FLORIDA  
(A CHARTER SCHOOL UNDER FLORIDA CHARTER  
SCHOOL ORGANIZATION, INC. AND A  
COMPONENT UNIT OF THE SCHOOL BOARD OF ST.  
LUCIE COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION

JUNE 30, 2025

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2025**

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**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
(A Charter School under Florida Charter School Organization, Inc.)

2902 South Jenkins Road,  
Fort Pierce, FL 34981

**2024-2025**

**BOARD OF DIRECTORS**

Mr. Clay Becton, Chairman  
Mr. Carlos (CJ) Frade, Jr, Member  
Mr. Jason Revels, Member  
Mrs. Cathy Townsend, Member  
Mr. Lance Poole, Treasurer

**SCHOOL ADMINISTRATION**

Ms. Sandy Howard, Executive Director of Operations  
Mr. Jeff Russell, Director of Academics  
Ms. Jessica Chancey, Dean of Students



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Independence Classical Academy, Inc.  
Fort Pierce, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independence Classical Academy, Inc. (the "School"), a charter school under Florida Charter School Organization, Inc., 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, each major fund, and the aggregate remaining fund information of Independence Classical Academy, Inc., 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 Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2025 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Academy's internal control over financial reporting and compliance.

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2025

**Management’s Discussion and Analysis**  
Independence Classical Academy, Inc.  
June 30, 2025

The corporate officers of Independence 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. At year-end, the School had current assets of \$885,385.
2. At year-end, the School reported a total fund balance of \$560,373.

*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: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

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

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

The government-wide financial statements can be found on pages 10-11 of this report.

*Fund Financial Statements*

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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

Prior to the start of the School’s fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School’s governmental funds to demonstrate compliance with the School’s budget. The basic governmental fund financial statements can be found on pages 12-15 of this report.

*Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 16-23 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of the School’s financial position. A summary of the School’s net position as of June 30, 2025 and 2024 follows:

<b>Assets</b>	2025	2024
Cash and cash equivalents	\$ 808,560	\$ 538,845
Due from other agencies	17,600	156,999
Prepaid expenses and deposits	59,225	32,933
Capital assets, net	188,352	223,293
Right-of-use assets	15,858,963	16,300,000
Total Assets	<u>\$ 16,932,700</u>	<u>\$ 17,252,070</u>
<b>Liabilities and Net Position (Deficit)</b>		
Accounts and wages payable and accrued liabilities	\$ 325,012	\$ 263,460
Notes payable, current and non-current	477,454	81,917
Right-of-use liability, current and non-current	16,300,000	16,300,000
Total Liabilities	<u>17,102,466</u>	<u>16,645,377</u>
Invested in capital and right-of-use assets (deficit), net	(252,685)	223,293
Restricted for debt service	9,158	-
Unrestricted	73,761	383,400
Total Net Position (Deficit)	<u>\$ (169,766)</u>	<u>\$ 606,693</u>
Total Liabilities and Net Position (Deficit)	<u>\$ 16,932,700</u>	<u>\$ 17,252,070</u>

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

At June 30, 2025, the School's total assets were \$16,932,700 and total liabilities were \$17,102,446. At June 30, 2025, the School reported a total net position (deficit) of \$169,766.

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

<b>REVENUES</b>	2025	2024
Program Revenues		
Federal lunch program	\$ 195,532	\$ 361,903
Revenues from federal and state sources	500,396	-
State capital outlay funding	346,954	-
Charges for services	53,633	2,555
General Revenues		
FEFP nonspecific revenue	5,044,298	3,941,756
Local and other revenue	148,449	622,520
Total Revenues	\$ 6,289,262	\$ 4,928,734
 <b>EXPENSES</b>		
Instruction	\$ 3,256,163	2,043,139
Instructional support services	112,524	60,388
Food services	186,374	159
Fiscal services	86,984	113,088
School administration	866,098	748,775
Central services	118,774	2,555
School Board	59,581	135,431
Operation of plant	1,008,030	649,583
Maintenance of plant	53,766	10,162
Administrative technology services	8,313	9,532
Community services	53,633	61,564
Interest on long-term debt	1,255,480	569,674
Total Expenses	\$ 7,065,720	\$ 4,404,050
 Change in Net Position	(776,458)	524,684
<b>Net Position at Beginning of Year</b>	606,692	82,008
<b>Net Position (Deficit) at End of Year</b>	\$ (169,766)	\$ 606,692

The School's total revenues for the year ended June 30, 2025 increased by \$1,360,528 while its total expenses increased by \$2,661,670 for a net decrease of 1,301,142.

## **SCHOOL LOCATION**

The School operates in the Fort Pierce area located at 2902 South Jenkins Road, Fort Pierce, FL 34981.

## **REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Sandy Howard, Executive Director of Operations, at 2902 South Jenkins Road, Fort Pierce, FL 34981.

## **CAPITAL IMPROVEMENT REQUIREMENT**

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

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

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

## **GOVERNMENTAL FUNDS**

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

For the year ended June 30, 2025, the School's governmental funds reported a positive net change in fund balance of \$95,057 and reported a combined fund balance at year-end of \$560,373.

## **CAPITAL ASSETS AND RIGHT-OF-USE**

The School's investment in capital assets and right-of-use, as of June 30, 2025, amounts to \$16,047,315 (net of accumulated depreciation). This investment in capital assets includes improvements, furniture, fixtures and equipment.

## GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local district	\$ 7,424,494	\$ 5,044,298	\$ 5,044,298
Federal lunch program	433,200	195,532	195,532
Federal passed through state	185,370	500,396	500,396
State capital outlay funding	147,000	346,954	346,954
Charges for services	-	53,633	53,633
Local and other revenue	199,000	148,449	148,449
<b>TOTAL REVENUES</b>	<b>\$ 8,389,064</b>	<b>\$ 6,289,262</b>	<b>\$ 6,289,262</b>
<b>EXPENDITURES</b>			
Instruction	\$ 5,877,079	\$ 3,256,163	\$ 3,256,163
Instructional support services	302,200	112,524	112,524
Food services	433,200	186,374	186,374
Fiscal services	-	86,984	86,984
School administration	398,125	851,666	851,666
Central services	-	118,774	118,774
School board	325,000	59,581	59,581
Operation of plant	842,905	546,484	546,484
Maintenance of plant	-	53,766	53,766
Administrative technology services	-	8,313	8,313
Community services	-	53,633	53,633
Transportation	350,000	-	-
Debt service:			
Interest	-	1,255,480	1,255,480
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,528,509</b>	<b>\$ 6,589,742</b>	<b>\$ 6,589,742</b>
<b>OTHER FINANCING SOURCES</b>			
Change in L/T notes payable	-	(76,730)	(76,730)
Change in L/T amounts due to related party	-	472,267	472,267
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (139,445)</b>	<b>\$ 95,057</b>	<b>\$ 95,057</b>

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 808,560
Due from other agencies	17,600
Prepaid expenses	59,225
<b>TOTAL CURRENT ASSETS</b>	<u>885,385</u>
Capital assets, net	188,352
Right-of-use assets, net	15,858,963
<b>TOTAL CAPITAL AND RIGHT-OF-USE ASSETS, NET</b>	<u>16,047,315</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,932,700</u>
<b>LIABILITIES AND NET POSITION (DEFICIT)</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 18,701
Accrued payroll and related expenses	306,311
Notes payable - current	5,187
<b>TOTAL CURRENT LIABILITIES</b>	<u>330,199</u>
Right-of-use liability, non-current	16,300,000
Note payable to related party- long-term portion	472,267
<b>TOTAL LIABILITIES</b>	<u>17,102,466</u>
<b>NET POSITION (DEFICIT)</b>	
Invested in capital and right-of-use assets (deficit), net of related debt	(252,685)
Restricted for special revenue	9,158
Unrestricted	73,761
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>(169,766)</u>
<b>TOTAL LIABILITIES AND NET POSITION (DEFICIT)</b>	<u>\$ 16,932,700</u>

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>Functions</b>	Expenses	Program Revenues			Net (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 3,256,163	\$ -	\$ 494,458	\$ -	\$ (2,761,705)
Instructional and student support services	112,524	-	5,938	-	(106,586)
Food services	186,374	-	186,374	-	-
Fiscal services	86,984	-	-	-	(86,984)
School administration	866,098	-	-	-	(866,098)
General administration	118,774	-	-	-	(118,774)
Board expense	59,581	-	-	-	(59,581)
Operation of plant	1,008,030	-	-	346,954	(661,076)
Maintenance of plant	53,766	-	-	-	(53,766)
Administrative technology services	8,313	-	-	-	(8,313)
Community services	53,633	53,633	-	-	-
Interest expense	1,255,480	-	-	-	(1,255,480)
<b>Total Governmental Activities</b>	<b>\$ 7,065,720</b>	<b>\$ 53,633</b>	<b>\$ 686,770</b>	<b>\$ 346,954</b>	<b>\$ (5,978,363)</b>
GENERAL REVENUES:					
					\$ 5,044,298
					157,607
					<u>5,201,905</u>
					Change in Net Position (776,458)
					NET POSITION - BEGINNING <u>606,692</u>
					NET POSITION - ENDING <u>\$ (169,766)</u>

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 808,560	\$ -	\$ -	\$ 808,560
Due from other agencies	-	17,600	-	17,600
Prepaid expenses	59,225	-	-	59,225
Deposits	-	-	-	-
Due from other fund	8,442	-	-	8,442
<b>TOTAL ASSETS</b>	<b>\$ 876,227</b>	<b>\$ 17,600</b>	<b>\$ -</b>	<b>\$ 893,827</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 18,701	\$ -	\$ -	\$ 18,701
Accrued payroll and related expenses	306,311	-	-	306,311
Due to other funds	-	8,442	-	8,442
<b>TOTAL LIABILITIES</b>	<b>325,012</b>	<b>8,442</b>	<b>-</b>	<b>333,454</b>
<b>FUND BALANCE</b>				
<b>Nonspendable</b>				
Prepaid expenses	59,225	-	-	59,225
Restricted	-	9,158	-	9,158
Unassigned	491,990	-	-	491,990
<b>TOTAL FUND BALANCE</b>	<b>551,215</b>	<b>9,158</b>	<b>-</b>	<b>560,373</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 876,227</b>	<b>\$ 17,600</b>	<b>\$ -</b>	<b>\$ 893,827</b>

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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Total Fund Balance - Governmental Funds	\$	560,373
<p>Amounts reported for governmental activities in the statement of net assets are the same.  There are no reconciling items.</p>		
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		188,352
<p>Right-of-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported.</p>		
	Right-of-use asset	15,858,963
	Right-of-use liability	<u>(16,300,000)</u>
		<u>(441,037)</u>
<p>Long-term liabilities are not due in the current period and accordingly, are not reported as fund liabilities.</p>		(477,454)
Total Net Position - Governmental Activities	<u>\$</u>	<u>(169,766)</u>

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
State passed through local school district	\$ 5,044,298	\$ -	\$ -	\$ 5,044,298
Federal lunch program	-	195,532	-	195,532
Federal passed through state	-	500,396	-	500,396
State capital outlay funding	-	-	346,954	346,954
Local and other revenue:				
Charges for services	53,633	-	-	53,633
Other	148,449	-	-	148,449
<b>TOTAL REVENUES</b>	<b>\$ 5,246,380</b>	<b>\$ 695,928</b>	<b>\$ 346,954</b>	<b>\$ 6,289,262</b>
<b>EXPENDITURES</b>				
Instruction	\$ 2,761,705	\$ 494,458	\$ -	\$ 3,256,163
Instructional support services	106,586	5,938	-	112,524
Food services	-	186,374	-	186,374
Fiscal services	86,984	-	-	86,984
School administration	851,666	-	-	851,666
Central services	118,774	-	-	118,774
School board	59,581	-	-	59,581
Operation of plant	546,484	-	-	546,484
Maintenance of plant	53,766	-	-	53,766
Administrative technology services	8,313	-	-	8,313
Community services	53,633	-	-	53,633
Debt service:				
Interest	908,526	-	346,954	1,255,480
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,556,018</b>	<b>\$ 686,770</b>	<b>\$ 346,954</b>	<b>\$ 6,589,742</b>
Excess of revenues over expenditures	(309,638)	9,158	-	(300,480)
<b>OTHER FINANCING SOURCES</b>				
Change in L/T notes payable	(76,730)	-	-	(76,730)
Change in L/T amounts due to related party	472,267	-	-	472,267
Total other financing sources	395,537	-	-	395,537
<b>NET CHANGE IN FUND BALANCE</b>	<b>85,899</b>	<b>9,158</b>	<b>-</b>	<b>95,057</b>
Fund balance at beginning of year	465,316	-	-	465,316
Fund balance at end of year	<b>\$ 551,215</b>	<b>\$ 9,158</b>	<b>\$ -</b>	<b>\$ 560,373</b>

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2025**

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Change in Fund Balance - Governmental Funds	\$ 95,057
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	(34,941)
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Repayment of long term liabilities are expenditures in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	(395,537)
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In the statement of activities, amortization of the right-of-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds it is not included.	(441,037)
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Change in Net Position of Governmental Activities	<u>\$ (776,458)</u>
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The accompanying notes are an integral part of this financial statement.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 1 – ORGANIZATION AND OPERATIONS

**Reporting Entity**

Independence Classical Academy, Inc. (the “School”) is a charter school sponsored by the School Board of St. Lucie County, Florida (the “District”) and is a component unit of the District. The School’s charter is held by Independence Classical Academy, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33 Florida Statutes. The School is governed by a Board of Directors composed of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School’s charter agreement is effective through July 30, 2029. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. 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 ninety days prior to the charter's expiration. The School contract provides in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2025, when approximately 560 students were enrolled in grades Kindergarten through 12<sup>th</sup> grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

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

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

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

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

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Government-wide and Fund Financial Statements (Continued)**

*Fund Financial Statements*

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

The School utilizes the following major governmental funds:

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

*Special Revenue Fund* – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

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

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis of 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, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash and Cash Equivalents**

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

**Capital Assets and Depreciation**

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$750 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	Estimated Useful Lives (years)
Improvements other than building	10
Furniture, fixtures, and equipment	5
Leased asset - building	37

**Compensated Absences**

For all full-time, regular, 10-month employees (meaning employees whose position requires them to work only during the academic school year, approximately 10 months of the year), PTO is accrued at the rate of 8 hours per month. Each fiscal year (July 1 through June 30), 10-month employees are eligible to earn up to a maximum of 80 hours of PTO. At the end of a fiscal year, exempt 10-month employees are eligible for PTO buyback for up to five (5) days of accrued but unused PTO. PTO buyback is at the substitute teacher rate in effect at the time of the buyback. Under the School’s policy, any unused PTO at the end of the fiscal year expires and is not carried forward.

In accordance with GASB Statement No. 101, Compensated Absences, the School records a liability for PTO as it is earned by employees because it is attributable to services already rendered, accumulates, and is more likely than not to be either used for time off or paid through the School’s buyback provision. Because unused PTO does not carry over beyond the fiscal year and is not paid out, no liability for PTO is recorded at year-end.

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

**Government-wide Fund Net Position**

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

- Net investment in capital and right-of-use assets, net – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital and right-of-use assets, net, at June 30, 2025 was a deficit balance of \$252,685.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. At June 30, 2025, the balance of restricted funds was \$9,158.
- Unrestricted – all other net position is reported in this category.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Governmental Fund Balances**

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

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2025, the balance of non-spendable fund balance was \$59,225.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2025, the balance of restricted funds was \$9,158.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2025, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2025, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

**Order of Fund Balance Spending Policy**

The School considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

**Revenue Sources**

Revenues for operations will be received primarily from the District School Board of St. Lucie County (the “School Board”) 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 School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Revenue Sources (continued)**

The School may also receive federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance 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. This activity is recorded in the Special Revenue Fund and Capital Outlay Fund. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**Income Taxes**

Independence Classical Academy, Inc., Inc. believes it qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and, therefore, operates as an organization exempt from tax. The School, however, is working with IRS to resolve a matter related to the tax exempt status. The School's tax exempt position is subject to resolution of this matter. No uncertain tax positions have been made requiring disclosure in the related notes to the 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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

The School has evaluated subsequent events and transactions for potential recognition or disclosure through December 16, 2025, which is the date the financial statements were available to be issued.

**Adopted Accounting Pronouncements**

During the year ended June 30, 2025, the School implemented the provisions of GASB Statement No. 101, Compensated Absences. GASB 101 establishes a single recognition and measurement model for liabilities related to compensated absences, including vacation, sick leave, and other paid time off, that is attributable to services already rendered and accumulates for use in future periods. Under GASB 101, a liability is recognized if it is more likely than not that the leave will be used for time off or otherwise paid to the employee. Implementation of GASB 101 did not have a material impact on the School's financial statements.

NOTE 3 – CASH DEPOSITS

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2025, the School's bank balances exceed the FDIC limit by approximately \$559,371.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 4 – DUE FROM OTHER AGENCIES**

The amounts due from other agencies included in the accompanying statement of net position and balance sheet –governmental funds mainly consist of amounts due from the State under NSLP, which total \$17,600. As of June 30, 2025, management has not recorded an allowance for these amounts.

**NOTE 5 – CAPITAL AND RIGHT-OF-USE ASSETS**

Capital assets activity for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets				
Improvements other than building	\$ 72,274	\$ -	\$ -	\$ 72,274
Furniture, fixtures, and equipment	205,088	-	-	205,088
Total Capital Assets	<u>\$ 277,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,362</u>
Less Accumulated Depreciation				
Improvements other than building	\$ (13,495)	\$ (20,509)	\$ -	\$ (34,004)
Furniture, fixtures, and equipment	(40,574)	(14,432)	-	(55,006)
Total Accumulated Depreciation	<u>(54,069)</u>	<u>(34,941)</u>	<u>-</u>	<u>(89,010)</u>
Capital Assets, net	<u>\$ 223,293</u>	<u>\$ (34,941)</u>	<u>\$ -</u>	<u>\$ 188,352</u>

For the year ended June 30, 2025, depreciation expense totaled \$34,941, of which \$20,509 was allocated to operation of plant and \$14,432 was allocated to school administration in the statement of activities.

The following schedule provides changes in right-of-use assets:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Right-of-use assets				
Right-of-use asset - Facilities	\$ 16,300,000	\$ -	\$ -	\$16,300,000
Total capital assets	<u>16,300,000</u>	<u>-</u>	<u>-</u>	<u>16,300,000</u>
Less accumulated amortization				
Right-of-use assets - Facilities	-	(441,037)	-	(441,037)
Total accumulated depreciation	<u>-</u>	<u>(441,037)</u>	<u>-</u>	<u>(441,037)</u>
Right-of-use assets, net	<u>\$ 16,300,000</u>	<u>\$ (441,037)</u>	<u>\$ -</u>	<u>\$15,858,963</u>

Amortization expense for the year ended June 30, 2025 was \$441,037, which was allocated to operation of the plant.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 6 – PROFESSIONAL SERVICES AGREEMENT**

The School entered into a service agreement with Building Hope Services, LLC (“Building Hope”) to provide accounting and finance services. This includes general accounting and the preparation of financial reports required by the District. Building Hope also performs year-end audit related services and assists in the preparation of the annual budget. Additionally, Building Hope provides human resources and payroll related services. Pursuant to the agreement, Building Hope provides advice and recommendations to assist the School’s management in performing its functions and decisions-making. The agreement calls for accounting and finance services to be \$110 per the student FTE amount and \$375 per employee for human resources and payroll services. For the year ended June 30, 2025, the School paid fees related to this agreement totaling approximately \$67,000.

**NOTE 7 – COMMITMENTS**

The School entered into an agreement to lease facilities from Freedom Charter Property Holding, LLC, a related party through common control, with an expiration date of June 30, 2061. Independence Classical Academy, Inc., the School’s charter-holder, is the sole member of Freedom Charter Property Holding, LLC. The monthly rent payments will be equal to the LLC’s loan repayments. The lease requires the School to pay insurance, utilities, and other operating costs. The fair value of the leased asset is \$16,300,000. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements. During the year ended June 30, 2025, the School paid the minimum annual rent amount of \$1,255,480.

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

Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 1,177,013	\$ -	\$ 1,177,013
2027	1,177,013	-	1,177,013
2028	1,297,013	120,000	1,177,013
2029	1,297,613	130,000	1,167,613
2030	1,297,413	140,000	1,157,413
2031-35	6,515,212	915,000	5,600,212
2036-40	6,477,212	1,235,000	5,242,212
2041-45	6,475,912	1,730,000	4,745,912
2046-50	6,472,087	2,440,000	4,032,087
2051-55	6,478,387	3,470,000	3,008,387
2056-60	6,470,850	4,915,000	1,555,850
2061	1,292,362	1,205,000	87,362
	<u>\$ 46,428,087</u>	<u>\$ 16,300,000</u>	<u>\$ 30,128,087</u>

The School has implemented GASB Statement No. 87 *Leases*, and as a result recorded a lease right-of-use asset and liability in these financial statements for the facility lease, based on the minimum student count and allocation. The School used an interest rate of 5% based on the average incremental borrowing rate to discount the annual lease payments and recognize the intangible right-of-use this asset and the lease liability.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 8 – COMMITMENTS (Continued)

The interest expense was \$1,255,480 and the amortization of the right-of-use asset was approximately \$441,037 for the year ended June 30, 2025.

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Right-of-use liability	\$ 16,300,000	\$ -	\$ -	\$16,300,000
	<u>\$ 16,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$16,300,000</u>

NOTE 9 – GRANTS

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

NOTE 10 – INTER-FUND TRANSFERS

Inter-fund transfers in government funds as of June 30, 2025 consists of the following:

	General Fund	Special Revenue Fund
Due to General Fund from Special Revenue for NSLP	\$ 17,600	\$ (17,600)

NOTE 11 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local school district	\$ 7,424,494	\$ 5,044,298	\$ 5,044,298
Charges for services	-	53,633	53,633
Local and other revenue	199,000	148,449	148,449
<b>TOTAL REVENUES</b>	<b>\$ 7,623,494</b>	<b>\$ 5,246,380</b>	<b>\$ 5,246,380</b>
<b>EXPENDITURES</b>			
Instruction	\$ 5,877,079	\$ 2,761,705	\$ 2,761,705
Instructional support services	302,200	106,586	106,586
Fiscal services	-	86,984	86,984
School administration	398,125	851,666	851,666
Central services	-	118,774	118,774
School board	325,000	59,581	59,581
Operation of plant	510,535	546,484	546,484
Maintenance of plant	-	53,766	53,766
Administrative technology services	-	8,313	8,313
Community services	-	53,633	53,633
Transportation	350,000	-	-
Debt service:			
Interest	347,250	908,526	908,526
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,110,189</b>	<b>\$ 5,556,018</b>	<b>\$ 5,556,018</b>
Change in fund balance before other financing sources	(486,695)	(309,638)	(309,638)
<b>OTHER FINANCING SOURCES</b>			
Change in L/T notes payable	-	(76,730)	(76,730)
Change in L/T amounts due to related party	-	472,267	472,267
Net change in fund balance	<b>\$ (486,695)</b>	<b>\$ 85,899</b>	<b>\$ 85,899</b>

See accompanying note to the required supplemental information.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL – SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal passed through state	\$ 185,370	\$ 500,396	\$ 500,396
Federal lunch program	433,200	195,532	195,532
<b>TOTAL REVENUES</b>	<b>\$ 618,570</b>	<b>\$ 695,928</b>	<b>\$ 695,928</b>
<b>EXPENDITURES</b>			
Instruction	\$ -	\$ 494,458	\$ 494,458
Instructional staff training services	-	5,938	5,938
Food services	433,200	186,374	186,374
Operation of plant	185,370	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 618,570</b>	<b>\$ 686,770</b>	<b>\$ 686,770</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 9,158</b>	<b>\$ 9,158</b>

See accompanying note to the required supplemental information.

**INDEPENDENCE CLASSICAL ACADEMY, INC.**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2025, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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



INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Board of Directors of  
Independence Classical Academy, Inc.  
Fort Pierce, 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, each major fund and the aggregate remaining fund information of Independence 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 December 16, 2025.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2025



## MANAGEMENT LETTER

Board of Directors of  
Independence Classical Academy, Inc.  
Fort Pierce, Florida

### Report on the Financial Statements

We have audited the financial statements of Independence Classical Academy, Inc. (the "School"), a non-major component unit of the District School Board of St. Lucie County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 16, 2025.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated December 16, 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 annual financial report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Independence Classical Academy, Inc. and #560741.

## **Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2025 is not deteriorating.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

### **2025-1: Total Deficit in Net Position**

#### Observation

Pursuant to Sections 218.39(5), Florida Statutes, the auditor must notify each member of the governing body for which a fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit, as reported on the fund financial statements of entities required to report under governmental financial reporting standards or on the basic financial statements of entities required to report under not-for-profit financial reporting standards, for which sufficient resources of the local governmental entity, charter school, charter technical career center, or district school board, as reported on the fund financial statements, are not available to cover the deficit.

#### Condition

The School has a total net position deficit of \$169,766 at June 30, 2025.

#### Cause

Although the School reflected a positive fund balance during the year and at year end, the School reflected a deficit in net position due to their investments in capital assets and instruction during the current year.

#### Effect

A continued deficit position may impair the School's ability to meet future obligations and maintain operations.

#### Recommendation

The School needs to continue to properly budget its expected expenditures and revenues for the following school year so that it can continue to improve its financial position.

Management response

The school's negative fund balance is primarily the result of accounting entries required under GASB Statement No. 87 (related to leases) and the amortization of lease-related items. These are non-cash accounting adjustments that do not reflect actual cash flow or operational performance.

Despite the appearance of a negative fund balance on paper, the school remains in strong financial health. Operational revenues and expenditures are well-managed, and the school continues to meet all financial obligations. The required entries are technical in nature and do not impact the school's day-to-day financial stability or its ability to deliver educational services.

**Transparency**

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

**Additional Matters**

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

**Purpose of this Letter**

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

*Verdeja - Alvarez, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2025