

**GULF COAST CHARTER ACADEMY SOUTH,
INC.**
NAPLES, FLORIDA
(A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF COLLIER
COUNTY, FLORIDA)

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

JUNE 30, 2025

GULF COAST CHARTER ACADEMY SOUTH, INC.
TABLE OF CONTENTS
JUNE 30, 2025

	PAGES
General Information.....	1
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-9
 Basic Financial Statements	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position.....	10
Statement of Activities.....	11
 <i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	15
<i>Notes to Basic Financial Statements</i>	16-26
 Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	27
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund.....	28
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	29
<i>Notes to Required Supplemental Information</i>	30
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 <i>Government Auditing Standards</i>	31-32
Management Letter.....	33-34

GULF COAST CHARTER ACADEMY SOUTH, INC.

(A Charter School and Component Unit of the District School Board of Collier County, Florida)

215 Airport Pulling Road
Naples, FL 34104
(239) 784-1539

2024-2025

BOARD OF DIRECTORS

Mark McCabe- President
Helen Deitrich- Vice President
Brett Baugh- Board Member
Frank Zhou- Board Member

ACADEMY ADMINISTRATION

Ms. Carey Glicher, Principal
Mr. Steven Boesch, Assistant Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gulf Coast Charter Academy South, Inc.
Naples, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gulf Coast Charter Academy South, Inc. (the "Academy"), a charter school and a component unit of the District School Board of Collier County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Academy, as of June 30, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 9 and budgetary comparison information on pages 27 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 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
August 15, 2025

Management’s Discussion and Analysis
Gulf Coast Charter Academy South, Inc.
June 30, 2025

The corporate officers of Gulf Coast Charter Academy South, Inc. (the “Academy”) have prepared this narrative overview and analysis of the Academy’s financial activities for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

1. At year-end, the Academy had current assets of \$2,412,708.
2. At year-end, the Academy’s net position was \$7,550,273 and its fund balance was \$7,373,684.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Academy’s basic financial statements. The Academy’s financial statements for the year ended June 30, 2025 are presented in accordance with Governmental Accounting Standards Board (“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 Academy’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Academy’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 Academy is improving or deteriorating.

The *Statement of Activities* presents information on how the Academy’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 Academy, 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 Academy 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 Academy's fiscal year, the Board of the Academy adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the Academy's governmental funds to demonstrate compliance with the Academy'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 - 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Position	
	2025	2024
Assets		
Cash and cash equivalents	\$ 1,361,669	\$ 2,572,883
Restricted cash	822,384	776,383
Due from agencies	72,096	-
Due from other charter schools	129,474	-
Notes receivable from charter schools	-	133,338
Prepaid expenses	27,085	-
Capital assets, net	7,635,727	7,866,710
Investments	5,618,285	2,980,005
Deposits receivable	7,580	7,580
Deferred outflows of resources, net	170,862	178,773
Total Assets	<u>\$ 15,845,162</u>	<u>\$ 14,515,672</u>
Liabilities and Net Position		
Accounts payable and accrued liabilities (inc. payroll and interest)	\$ 569,889	\$ 487,566
Due to other charter schools	-	134,828
Bond payable	7,725,000	7,910,000
Total Liabilities	<u>8,294,889</u>	<u>8,532,394</u>
Net investment in capital assets	(89,273)	(43,290)
Restricted for debt service	727,384	776,383
Restricted for lunch program	127,225	91,837
Unrestricted	6,784,937	5,158,348
Total Net Position	<u>7,550,273</u>	<u>5,983,278</u>
Total Liabilities and Net Position	<u>\$ 15,845,162</u>	<u>\$ 14,515,672</u>

At June 30, 2025, the Academy's total assets and deferred outflows of resources were \$15,845,162 and total liabilities were \$8,294,889. At June 30, 2025, the Academy reported a total net position of \$7,550,273.

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

REVENUES	<u>2025</u>	<u>2024</u>
Program Revenues		
Federal programs	\$ 498,723	\$ 392,583
State capital outlay funding	1,127,980	744,097
Charges for services	270,944	383,719
General Revenues		
FEFP nonspecific revenue	7,366,009	7,326,104
Gain on sale of assets	-	66,831
Local and other revenue	700,752	47,156
Interest income	191,472	115,577
Change in fair value of investments	44,257	26,183
Total Revenues	<u>\$ 10,200,137</u>	<u>\$ 9,102,250</u>
EXPENSES		
Instruction	\$ 3,875,919	\$ 3,526,017
Instructional support services	249,919	263,024
Food services	510,230	430,483
General administration	1,021,591	1,129,784
School administration	678,987	735,003
Central services	117,437	77,613
School Board	11,945	19,185
Operation of plant	1,043,761	1,099,304
Fiscal services	277,704	139,949
Transportation	282,629	288,849
Community services	172,334	310,200
Administrative technology services	13,890	-
Interest on long-term debt	376,796	364,778
Total Expenses	<u>\$ 8,633,142</u>	<u>\$ 8,384,189</u>
Change in Net Position	1,566,995	718,061
Net Position at Beginning of Year	5,983,278	5,265,217
Net Position at End of Year	<u><u>\$ 7,550,273</u></u>	<u><u>\$ 5,983,278</u></u>

The Academy's total revenues for the year ended June 30, 2025 were \$10,200,137, while its total expenses were \$8,633,142 for a net increase of \$1,566,995. During the year ended June 30, 2025, the Academy received referendum funding from the District of \$747,056. The Academy's net position at year-end totaled \$7,550,273.

SCHOOL LOCATION

The Academy operates in the Naples area located at 215 Airport Pulling Road, Naples, FL, 34104.

CAPITAL IMPROVEMENT REQUIREMENT

The Academy 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 Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Academy's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Academy'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 Academy's governmental funds reported a combined change in fund balance of \$1,746,728 and reported a combined fund balance at year-end of \$7,373,684.

CAPITAL ASSETS

The Academy's investment in capital assets, as of June 30, 2025, amounts to \$7,635,727 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, furniture, fixtures, and equipment.

BOND PAYABLE

In November 2017, the Academy issued a tax-exempt revenue bond for \$8,085,000 (Series 2017A), which is secured by its related reserve and indenture subaccounts. The bond was issued to finance the acquisition, improvements, and related financing costs of the Academy's educational facilities. Bond payable at June 30, 2025 totaled \$7,725,000.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
State passed through local school district	\$ 7,493,988	\$ 7,366,009	\$ 7,366,009
State capital outlay funding	802,332	1,127,980	1,127,980
Federal programs	20,000	498,723	498,723
Food service	360,788	20,524	20,524
Local and other revenue	368,915	1,142,644	1,142,644
Change in fair value of investments	-	44,257	44,257
TOTAL REVENUES	<u>9,046,023</u>	<u>10,200,137</u>	<u>10,200,137</u>
EXPENDITURES			
Instruction	3,293,744	3,875,919	3,875,919
Instructional support services	465,561	249,919	249,919
Food services	360,788	510,230	510,230
General administration	54,000	1,021,591	1,021,591
School administration	700,003	678,987	678,987
Central services	-	117,437	117,437
School Board	15,500	11,945	11,945
Operation of plant	1,507,303	789,250	789,250
Fiscal services	1,487,614	277,704	277,704
Transportation	105,952	87,102	87,102
Community services	6,807	172,334	172,334
Administrative technology services	-	13,890	13,890
Capital outlay	-	219,055	219,055
Debt service	246,419	553,885	553,885
	<u>8,243,691</u>	<u>8,579,248</u>	<u>8,579,248</u>
 Change in fund balance before other financing sources	 <u>802,332</u>	 <u>1,620,889</u>	 <u>1,620,889</u>
OTHER FINANCING SOURCES			
Payments received on notes receivable	-	133,338	133,338
Other	-	(7,499)	(7,499)
Total other financing sources	<u>-</u>	<u>125,839</u>	<u>125,839</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 802,332</u></u>	<u><u>\$ 1,746,728</u></u>	<u><u>\$ 1,746,728</u></u>

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the Academy. Requests for additional information may be addressed to Mr. Will Staros of FORZA Education Management at 12214 US HWY 301 N, Parrish, FL 34219.

**GULF COAST CHARTER ACADEMY SOUTH, INC,
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,361,669
Restricted cash	822,384
Due from agencies	72,096
Due from other charter schools	129,474
Prepaid expenses	27,085
TOTAL CURRENT ASSETS	2,412,708
CAPITAL ASSETS, NET	
Nondepreciable capital assets	2,417,000
Depreciable capital assets, net of accumulated depreciation	5,218,727
TOTAL CAPITAL ASSETS, NET	7,635,727
Investments	5,618,285
Deposits receivable	7,580
TOTAL ASSETS	15,674,300
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on bond issuance, net of amortization	170,862
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 15,845,162
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 132,997
Accrued payroll and related expenses	436,892
Bond payable, current portion	190,000
TOTAL CURRENT LIABILITIES	759,889
Bond payable, long-term portion	7,535,000
TOTAL LIABILITIES	8,294,889
NET POSITION	
Invested in capital assets, net of related debt	(89,273)
Restricted for debt service	727,384
Restricted for lunch program	127,225
Unrestricted	6,784,937
TOTAL NET POSITION	7,550,273
TOTAL LIABILITIES AND NET POSITION	\$ 15,845,162

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

GULF COAST CHARTER ACADEMY SOUTH, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 3,875,919	\$ -	\$ 11,033	\$ -	\$ (3,864,886)
Instructional support services	249,919	-	84,601	-	(165,318)
Food services	510,230	20,524	390,595	-	(99,111)
General administration	1,021,591	-	-	-	(1,021,591)
School administration	678,987	-	-	-	(678,987)
Central services	117,437	-	-	-	(117,437)
School Board	11,945	-	-	-	(11,945)
Operation of plant	1,043,761	20,004	-	1,127,980	104,223
Fiscal services	277,704	-	-	-	(277,704)
Transportation	282,629	-	12,494	-	(270,135)
Community services	172,334	230,416	-	-	58,082
Administrative technology services	13,890	-	-	-	(13,890)
Interest on long-term debt	376,796	-	-	-	(376,796)
Total Governmental Activities	<u>\$ 8,633,142</u>	<u>\$ 270,944</u>	<u>\$ 498,723</u>	<u>\$ 1,127,980</u>	<u>\$ (6,735,495)</u>
GENERAL REVENUES:					
					7,366,009
					700,752
					44,257
					191,472
					<u>8,302,490</u>
					1,566,995
					<u>5,983,278</u>
					<u>\$ 7,550,273</u>

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

GULF COAST CHARTER ACADEMY SOUTH, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Fund
ASSETS				
Cash and cash equivalents	\$ 1,306,540	\$ 55,129	\$ -	\$ 1,361,669
Restricted cash	-	-	822,384	822,384
Due from agencies	-	72,096	-	72,096
Due from other charter schools	129,474	-	-	129,474
Investments	5,618,285	-	-	5,618,285
Prepaid expenses	27,085	-	-	27,085
Deposits	7,580	-	-	7,580
TOTAL ASSETS	<u>\$ 7,088,964</u>	<u>\$ 127,225</u>	<u>\$ 822,384</u>	<u>\$ 8,038,573</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 132,997	\$ -	\$ 95,000	\$ 227,997
Accrued payroll and related expenses	436,892	-	-	436,892
TOTAL LIABILITIES	<u>569,889</u>	<u>-</u>	<u>95,000</u>	<u>664,889</u>
FUND BALANCE				
Nonspendable				
Prepaid expenses and deposits	34,665	-	-	34,665
Restricted	-	127,225	727,384	854,609
Unassigned	6,484,410	-	-	6,484,410
TOTAL FUND BALANCE	<u>6,519,075</u>	<u>127,225</u>	<u>727,384</u>	<u>7,373,684</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,088,964</u>	<u>\$ 127,225</u>	<u>\$ 822,384</u>	<u>\$ 8,038,573</u>

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

GULF COAST CHARTER ACADEMY SOUTH, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds	\$	7,373,684
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		7,635,727
Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on bond issuance costs in the statement of net position.		170,862
Long-term liabilities are not due in the current period and, accordingly, are not reported as fund liabilities.		(7,725,000)
Matured principal payable is due in the current period and, therefore, is reported as a fund liability.		<u>95,000</u>
Total Net Position - Governmental Activities	\$	<u>7,550,273</u>

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

GULF COAST CHARTER ACADEMY SOUTH, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Outlay Fund	Total Governmental Funds
REVENUES					
State passed through local school district	\$ 7,366,009	\$ -	\$ -	\$ 1,127,980	\$ 8,493,989
National School Lunch Program	-	390,595	-	-	390,595
Federal programs	-	108,128	-	-	108,128
Food service	-	20,524	-	-	20,524
Local and other revenue:					
Child care	230,416	-	-	-	230,416
Other	720,756	-	-	-	720,756
Interest income	120,978	-	70,494	-	191,472
Change in fair value of investments	44,257	-	-	-	44,257
TOTAL REVENUES	\$ 8,482,416	\$ 519,247	\$ 70,494	\$ 1,127,980	\$ 10,200,137
EXPENDITURES					
Current:					
Instruction	\$ 3,864,886	\$ 11,033	\$ -	\$ -	\$ 3,875,919
Instructional support services	165,318	84,601	-	-	249,919
Food services	-	510,230	-	-	510,230
General administration	1,021,591	-	-	-	1,021,591
School administration	678,987	-	-	-	678,987
Central services	117,437	-	-	-	117,437
School Board	11,945	-	-	-	11,945
Operation of plant	-	20,004	-	769,246	789,250
Fiscal services	277,704	-	-	-	277,704
Transportation	87,102	-	-	-	87,102
Community services	172,334	-	-	-	172,334
Administrative technology services	13,890	-	-	-	13,890
Capital Outlay:					
Facilities acquisition and construction	219,055	-	-	-	219,055
Debt service:					
Principal retirement	-	-	185,000	-	185,000
Interest	-	-	368,885	-	368,885
TOTAL EXPENDITURES	\$ 6,630,249	\$ 625,868	\$ 553,885	\$ 769,246	\$ 8,579,248
Excess (deficiency) of revenues over expenditures	1,852,167	(106,621)	(483,391)	358,734	1,620,889
OTHER FINANCING SOURCES					
Payments received on notes receivable and other	133,338	-	-	-	133,338
Other adjustments	(7,499)	-	-	-	(7,499)
Transfers (out) in	(345,557)	142,009	562,282	(358,734)	-
Total other financing sources	(219,718)	142,009	562,282	(358,734)	125,839
NET CHANGE IN FUND BALANCE	1,632,449	35,388	78,891	-	1,746,728
Fund balance at beginning of year	4,886,626	91,837	648,493	-	5,626,956
Fund balance at end of year	<u>\$ 6,519,075</u>	<u>\$ 127,225</u>	<u>\$ 727,384</u>	<u>\$ -</u>	<u>\$ 7,373,684</u>

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

GULF COAST CHARTER ACADEMY SOUTH, 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

Change in Fund Balance - Governmental Funds \$ 1,746,728

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 and any sale or disposal is recorded as a gain or loss.

Capital outlays	219,055
Depreciation expense	(450,038)

Notes receivable and collections of notes receivable reduces long-term assets in the statement of net position, but is reported as an other financing source in the governmental funds. This is the amount of collections in the current period. (133,338)

Repayment of long-term liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 185,000

Governmental funds report the effect of debt issuance costs, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of deferred outflows	(7,911)
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Other adjustments	7,499
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Change in Net Position of Governmental Activities	\$ 1,566,995
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The accompanying notes are an integral part of this financial statement.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Gulf Coast Charter Academy South, Inc. (the “Academy”) is a charter school sponsored by the School Board of Collier County, Florida (the “District”) and is a component unit of the District. The Academy’s charter is held by Gulf Coast Charter Academy South, 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 Academy is governed by a Board of Directors composed of four members.

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The Academy operates under a charter of the sponsoring school district, the District School Board of Collier County, Florida. The current charter is for a term of fifteen years ending May 30, 2027. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the Academy 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 Academy in writing at least ninety days prior to the charter's expiration. The Academy contract provides, in the event that the Academy is dissolved or terminated, any unencumbered funds and all Academy 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. The Academy is considered a component unit of the District; therefore, for financial reporting purposes, the Academy is required to follow generally accepted accounting principles applicable to state and local governmental units.

These financial statements are for the year ended June 30, 2025, when 662 students were enrolled in grades Kindergarten through 8th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Academy’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

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 Academy as a whole. Both statements report only governmental activities, as the Academy 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.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 outlay funds, are reported as separate columns in the fund financial statements:

The Academy utilizes the following major governmental funds:

General Fund – is the Academy’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. Also, accounts for internal funds (if any), which are used to administer monies collected in connection with student athletics, class and club activities.

Debt Service Fund – used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Outlay Fund – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes mainly for capital outlay including construction or lease of school facilities, capital equipment and additions to existing schools.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Academy are prepared in accordance with generally accepted accounting principles (GAAP). The Academy’s reporting entity applies all relevant 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 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 Academy 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.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts. Deposits on hand at financial institutions are insured by the Federal Depository Insurance Corporation (the "FDIC") and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

The Academy has not adopted a formal deposit and investment policy that limits the Academy's allowable deposits or investments and address specific types of risk; however the Academy invests excess deposit funds in a government mutual funds. The Academy 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 (see Note 3).

Inter-Fund Transfers

Inter-fund receivables/payables ("Due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Agencies

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

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The Academy capitalization levels are \$1,000 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:

	Useful Lives (years)
	<hr/>
Buildings	39
Improvements other than buildings	10
Furniture, fixtures and equipment	10
Software	3
Vehicles	5-10

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows

In addition to assets, the statement of financial 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(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Academy has bond issuance costs and a bond premium which qualify to be reported in this category. This amount is deferred and amortized over the life of the debt. Amortization is included as interest expense on the Statement of Activities.

Compensated Absences

The Academy grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to ten days of active work during the ten-month period (a “benefit year”). Teachers are eligible for up to seven days of active work during the benefit year. In the event that available time is not used by the end of the benefit year, employees may not “rollover” all unused days for use in future benefit years.

Pursuant to recently issued Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, only leave that accumulates should be recognized as a liability for leave that has not been used because if it does not accumulate, a government would not have an obligation for it at the date of the financial statements. For organizations with use-it-or-lose it policies, for which any unused leave is forfeited at the end of the fiscal year, there is no obligation to provide time off or payment or settlement in a future period. Accordingly, no liability for compensated absences is reported in these financial statements. See Adopted Accounting Pronouncements.

Government-wide Fund Net Position

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment (deficit) in capital assets for the year ending June 30, 2025, was (\$89,273).
- Restricted net position – consists of net assets with constraints placed on their use either by external groups, such as creditors, grantors, contributors, laws, or regulations of other governments, less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2025 was \$854,609.
- Unrestricted – all other net position is reported in this category.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 Academy had 34,665 in non-spendable fund balance.
- 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 restricted fund balance was \$854,609.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Academy’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 Academy’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 Academy’s general fund and includes all spendable amounts not contained in the other classifications. At June 30, 2025, the Academy had \$6,484,410 in unassigned fund balance

Order of Fund Balance Spending Policy

The Academy 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 Academy 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 unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the Academy.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Collier County (the “School Board”) pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the Academy 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 Academy 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 Academy during the designated full-time equivalent student survey periods.

The Academy 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.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Gulf Coast Charter Academy South, Inc. qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements. The Academy has evaluated its tax position for all open tax years and has not identified any uncertain tax positions prior to year ending June 30, 2022.

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.

Adopted Accounting Pronouncements

In June 2022, GASB issued Statement No. 101 (“GASB 101”), *Compensated Absences*, which establishes a unified model for the recognition and measurement of all types of compensated absences, such as vacation leave, sick leave, and paid time off. This Statement replaces the prior guidance in GASB Statement No. 16 and requires that a liability be recognized as leave is earned, regardless of whether it vests or is contingent on future events, to the extent it is more likely than not to be used for time off in a future reporting period or otherwise paid to the employee.

The Academy grants a specific number of days for sick/personal leave each benefit year. Unused days do not carry forward to subsequent benefit years and are not paid out under any circumstance (“use-it-or-lose-it” policy). Because no leave earned in the current year results in a future obligation once the benefit year ends, the Academy determined that no liability for compensated absences is required under GASB 101.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Subsequent Events

The Academy has evaluated subsequent events and transactions for potential recognition or disclosure through August 15, 2025, which is the date the financial statements were available to be issued.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

All Academy deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act". Under the act, all public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from fifty percent to one-hundred-twenty-five percent depending upon the depository's financial condition and the length of time the depository has been established. All collateral must be deposited with the State Treasurer. All bank balances of the Academy are fully insured or collateralized. At June 30, 2025, the bank balance of the Academy's cash deposit accounts was approximately \$2,184,000.

The Academy follows 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. At June 30, 2025, the Academy had approximately \$5,600,000 invested in a governmental mutual fund that primarily invests in U.S. government securities and bonds that have been valued by the fund as Level 1. As of June 30, 2025, maturities of the fund's portfolio holdings are greater than 30 days and have therefore been recorded at fair value, which was \$5,618,285.

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Capital Assets				
Land	\$ 2,417,000	\$ -	\$ -	\$ 2,417,000
Building	5,291,836	-	-	5,291,836
Improvements other than building	795,828	75,000	-	870,828
Furniture, fixtures and equipment	870,800	-	-	870,800
Software	240,302	-	-	240,302
Vehicles	988,141	144,055	-	1,132,196
Total Capital Assets	<u>\$ 10,603,907</u>	<u>\$ 219,055</u>	<u>\$ -</u>	<u>\$ 10,822,962</u>
Less Accumulated Depreciation				
Building	\$ (1,148,606)	\$ (140,835)	\$ -	\$ (1,289,441)
Improvements other than building	(362,216)	(74,910)	-	(437,126)
Furniture, fixtures and equipment	(646,741)	(33,530)	-	(680,271)
Software	(235,066)	(5,236)	-	(240,302)
Vehicles	(344,568)	(195,527)	-	(540,095)
Total Accumulated Depreciation	<u>\$ (2,737,197)</u>	<u>\$ (450,038)</u>	<u>\$ -</u>	<u>\$ (3,187,235)</u>
Capital Assets, net	<u>\$ 7,866,710</u>	<u>\$ (230,983)</u>	<u>\$ -</u>	<u>\$ 7,635,727</u>

For the year ended June 30, 2025, depreciation expense totaled \$450,038, of which \$254,511 was charged to the operation of plant function and \$195,527 to the transportation function in the statement of activities.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – LONG-TERM LIABILITIES

Bond Payable

Bond payable as of June 30, 2025 is as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
Collier County Industrial Development Authority Educational Facilities Revenues Bonds (Gulf Coast Charter Academy South Project) Series 2017A	\$ 7,725,000	4.10 - 5.00	2047
Total bond payable	\$ 7,725,000		

This bond was issued by Collier County Development Authority on behalf of the Academy. The bond is secured by the related subaccounts in the Reserve Account and Indenture. Interest payments are payable twice each year and principal payments are payable once annually. The bond was issued in November 2017 to finance the acquisition, improvements, and related financing costs of the Academy's educational facilities.

Annual requirements to amortize the bonded debt outstanding as of June 30, 2025 is as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
Collier County Industrial Development Authority Educational Facilities Revenue Bonds (Gulf Coast Charter Academy South Project)			
2026	\$ 567,000	\$ 190,000	\$ 377,000
2027	569,005	200,000	369,005
2028	565,703	205,000	360,703
2029	566,125	215,000	351,125
2030	565,125	225,000	340,125
2031 - 2035	2,829,375	1,315,000	1,514,375
2036 - 2040	2,821,750	1,680,000	1,141,750
2041 - 2045	2,802,625	2,135,000	667,625
2046 - 2048	1,679,500	1,560,000	119,500
	\$ 12,966,208	\$ 7,725,000	\$ 5,241,208

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – LONG-TERM LIABILITIES (Continued)

Bond Payable (Continued)

At June 30, 2025, the Academy was in compliance of debt covenants as follows:

Cash on Hand	
Cash and investments on hand general fund	<u>\$ 6,924,825</u>
Total expenditures - governmental funds - year ending June 30, 2025	\$ 8,579,248
Less capital outlay - facilities acquisition and constructions	<u>(219,055)</u>
Total expenditures - governmental funds - less capital outlay - facilities acquisition and constructions	<u>\$ 8,360,193</u>
Cash requirement general fund at June 30, 2025	<u>\$ 1,374,278</u>
Excess cash on hand - general fund	<u>\$ 5,550,547</u>
<u>Debt Service Coverage Ratio</u>	
Excess of revenues over expenditures	\$ 1,566,995
Plus interest	368,885
Plus principal retirement	185,000
Plus depreciation	450,038
Plus capital outlay - facilities acquisition and constructions	<u>219,055</u>
Excess of revenues over expenditures, adjusted	<u>\$ 2,789,973</u>
Debt service costs for year ending June 30, 2025	
Interest	\$ 368,885
Principal retirement	<u>185,000</u>
Total debt service costs for year ending June 30, 2025	<u>\$ 553,885</u>
Debt service ratio (excess of revenues over expenditures divided by total debt service costs for year ending June 30, 2025)	5.04

NOTE 6 – RETIREMENT PLAN

The Academy established a defined contribution 401(k) plan covering all full-time employees of the Academy who have one year of service and are age twenty-one (21) or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Trustees. The employee may make an elective contribution known as a 401(k) contribution or salary deferral contribution. The Academy will make a required matching contribution to the Plan. For year ending June 30, 2025, the Academy contributed \$40,010 to the Plan.

NOTE 7 – INTER-FUND TRANSFERS

During fiscal year 2025, the General Revenue Fund and the Capital Outlay Fund transferred \$345,557 and \$358,734, respectively, to help finance the Academy's principal and interest payments (through a transfer into the Debt Service Fund of \$562,282) and to help cover the deficit of the Special Revenue Fund (through a transfer into the Special Revenue Fund of \$142,009).

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – RELATED PARTY TRANSACTIONS

In July 2017, the Academy entered into an agreement to rent space to FORZA Child Development Center, Inc. for a Pre-K Program that is operated by the management company, FORZA Education Management, L.L.C. (FORZA). The rental agreement is for a term of three years, subject to extension by written agreement, and requires monthly payments of \$1,667 commencing July 12, 2017 while the space is being used. Rental income for the year ended June 30, 2025 totaled \$20,004 and is included in local and other revenue.

NOTE 9 – MANAGEMENT STRUCTURE

All policy decisions, including the annual budget, are formulated by the Board of Directors. The Board of Directors has the powers reasonably necessary to manage, operate, maintain, and discharge the duties of the Academy to include adopting budgets; enter into contracts; adopt, publish, promulgate and enforce rules and regulations; employ on behalf of the Academy; managers, independent contractors, and any other employees deemed necessary; and acquire, sell, operate, lease, manage, and otherwise trade and deal with property, real and personal.

In July 1, 2016, the Academy entered into an agreement with Forza Education Management, L.L.C. (“FORZA”), a Florida limited liability company, to facilitate the continuation of the Academy by performing certain functions relating to the provision of educational services, transportation, food service, personnel management, and the administration and operation of the Academy in accordance with enrollment, age, and grade level specifications for the Academy. This agreement will be effective and remain effective through the last day of the Charter Contract, and will automatically renew upon the renewal of the Charter Contract, unless written notice is provided one-hundred-eighty (180) days prior to the Charter Contract expiring. The agreement may be terminated with cause by either party upon a sixty-day notice of material breach, as defined in the contract. The Agreement will automatically renew for a period equal to the charter school agreement extension with the District, unless written notice to terminate by either party is received one-year prior to the expiration date of the agreement.

The management company shall be entitled to payment of a fee for services, including for providing Operating Advances (the “Fund Balance Assistance Fee”), in any year in which (i) no amounts were required to be forgiven pursuant to the previous paragraph, and (ii) the Defined Fund Balance, after consideration of the repayments of all outstanding Operating Advances, exceeds the fund balance required by the Authorizer, if any. The Fund Balance Assistance Fee for such year shall equal the lesser of (x) the amount which, when recorded for such year would cause the Defined Fund Balance to equal at least one dollar (\$1.00) or, if greater, the Fund Balance required by the Authorizer, if any, and (y) 2% of State revenues. The Fund Balance Assistance fee shall be due and payable as of the 15th day of December following the fiscal year of such determination, to allow for time to complete the Academy’s annual audit. “Defined Fund Balance” for purposes of this agreement, shall mean that portion of the Academy’s fund balance not classified as restricted, committed, or nonspendable, as reported on the fund financial statements.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – GRANTS

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

NOTE 11 – RISK MANAGEMENT

The Academy 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 Academy 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 Academy does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

GULF COAST CHARTER ACADEMY SOUTH, 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
REVENUES			
State passed through local school district	\$ 7,493,988	\$ 7,366,009	\$ 7,366,009
Change in fair value of investments	-	44,257	44,257
Local and other revenue	368,864	1,072,150	1,072,150
TOTAL REVENUES	<u>\$ 7,862,852</u>	<u>\$ 8,482,416</u>	<u>\$ 8,482,416</u>
EXPENDITURES			
Instruction	\$ 3,273,744	\$ 3,864,886	\$ 3,864,886
Instructional support services	465,561	165,318	165,318
General administration	54,000	1,021,591	1,021,591
School administration	700,003	678,987	678,987
Central services	-	117,437	117,437
School Board	15,500	11,945	11,945
Operation of plant	1,507,303	-	-
Fiscal services	1,487,614	277,704	277,704
Transportation	105,952	87,102	87,102
Community services	6,807	172,334	172,334
Administrative technology services	-	13,890	13,890
Capital Outlay:			
Facilities acquisition and construction	-	219,055	219,055
TOTAL EXPENDITURES	<u>\$ 7,616,484</u>	<u>\$ 6,630,249</u>	<u>\$ 6,630,249</u>
Change in fund balance before other financing sources	246,368	1,852,167	1,852,167
OTHER FINANCING SOURCES			
Payments received on notes receivable	-	133,338	133,338
Other	-	(7,499)	(7,499)
Transfers out, net	(246,368)	(345,557)	(345,557)
Total other financing sources	<u>(246,368)</u>	<u>(219,718)</u>	<u>(219,718)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,632,449</u>	<u>\$ 1,632,449</u>

See accompanying note to the required supplemental information.

GULF COAST CHARTER ACADEMY SOUTH, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
National School Lunch Program	\$ 360,788	\$ 390,595	\$ 390,595
Food service	-	20,524	20,524
Other federal programs	20,000	108,128	108,128
TOTAL REVENUES	\$ 380,788	\$ 519,247	\$ 519,247
EXPENDITURES			
Instruction	\$ 20,000	\$ 11,033	\$ 11,033
Instructional support services	-	84,601	84,601
Food services	360,788	510,230	510,230
Operation of plant	-	20,004	20,004
TOTAL EXPENDITURES	\$ 380,788	\$ 625,868	\$ 625,868
Change in fund balance before other financing sources	\$ -	\$ (106,621)	\$ (106,621)
OTHER FINANCING SOURCES			
Transfers in from general fund	-	142,009	142,009
Net change in fund balance	<u>\$ -</u>	<u>\$ 35,388</u>	<u>\$ 35,388</u>

See accompanying note to the required supplemental information.

GULF COAST CHARTER ACADEMY SOUTH, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Debt Service Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Local and other revenue	\$ 51	\$ 70,494	\$ 70,494
TOTAL REVENUES	<u>51</u>	<u>70,494</u>	<u>70,494</u>
EXPENDITURES			
Debt service	<u>246,419</u>	<u>553,885</u>	<u>553,885</u>
TOTAL EXPENDITURES	<u>246,419</u>	<u>553,885</u>	<u>553,885</u>
Change in fund balance before other financing sources	(246,368)	(483,391)	(483,391)
OTHER FINANCING SOURCES			
Transfers in from general and capital projects fund	<u>246,368</u>	<u>562,282</u>	<u>562,282</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 78,891</u>	<u>\$ 78,891</u>

See accompanying note to the required supplemental information.

GULF COAST CHARTER ACADEMY SOUTH, INC.
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The Academy'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, special revenue, and capital projects 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*

Board of Directors of
Gulf Coast Charter Academy South, Inc.
Naples, 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 Gulf Coast Charter Academy South, Inc. (the "Academy") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated August 15, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider 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 Academy'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
August 15, 2025



MANAGEMENT LETTER

Board of Directors of
Gulf Coast Charter Academy South, Inc.
Naples, Florida

Report on the Financial Statements

We have audited the financial statements of Gulf Coast Charter Academy South, Inc. (the "Academy"), a non-major component unit of the District School Board of Collier County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated August 15, 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated August 15, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Gulf Coast Charter Academy South and 119034.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financials condition assessment procedures for the Academy. It is management's responsibility to monitor the Academy's financial condition, and our financial condition assessment was based in part on representations made by management and 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 Academy'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 did not have any such findings.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Academy 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 Collier 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
August 15, 2025