

GOING FURTHER

PENSACOLA STATE COLLEGE  
CHARTER ACADEMY

(A CHARTER SCHOOL AND RESTRICTED FUND OF  
PENSACOLA STATE COLLEGE)

FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2025

## Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Financial Statements	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Notes To Financial Statements	13-17
Other Independent Auditor's Reports	
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>	18-19
Independent Auditor's Management Letter	20-21



## Independent Auditor's Report

**Board of Trustees  
Pensacola State College Charter Academy  
Pensacola, Florida**

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

#### ***Opinion***

We have audited the accompanying financial statements of Pensacola State College Charter Academy (the "Charter Academy"), a Charter School and restricted fund of Pensacola State College (the "College"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter 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 financial position of the Charter Academy as of June 30, 2025, and the respective changes in financial position and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter 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 opinion.

#### ***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 Charter Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter 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 Charter 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.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Charter Academy and do not purport to, and do not present fairly, the financial position of the Pensacola State College, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 22, 2025 on our consideration of the Charter Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Academy's internal control over financial reporting and compliance.



Bradenton, Florida  
August 22, 2025

# Management's Discussion and Analysis (Unaudited)

## **INTRODUCTION**

The following discussion and analysis provide an overview of the financial position and activities of the Pensacola State College Charter Academy (the "Charter Academy") for the year ended June 30, 2025. Management has prepared this discussion, and it should be read in conjunction with the financial statements and related footnote disclosures that follow this section. Responsibility for the completeness and fairness of this information rests with the Charter Academy's management. The discussion and analysis include information relating to the financial position and activities of the Charter Academy as a restricted fund of Pensacola State College (the "College").

## **FINANCIAL HIGHLIGHTS**

The Charter Academy reported a positive net position balance of \$4,244,472 on June 30, 2025, with total assets of \$4,398,781 and liabilities of \$154,309. Net position, which represents the residual interest in the Charter Academy's assets after deducting liabilities, increased \$1,737,940 during the 2024-2025 fiscal year. Total revenues and transfers in from the College were \$4,582,436 for the 2024-2025 fiscal year, while total expenses were \$2,844,496.

The Charter Academy reported a positive net position balance of \$2,506,532 on June 30, 2024, with total assets of \$2,516,655 and liabilities of \$10,123. Net position, which represents the residual interest in the Charter Academy's assets after deducting liabilities, increased \$2,272,316 during the 2023-2024 fiscal year. Total revenues were \$3,514,586 for the 2023-2024 fiscal year, while total expenses were \$1,242,270.

## **USING THIS ANNUAL REPORT**

This report consists of three basic financial statements: (1) the statements of net position; (2) the statements of revenues, expenses and changes in net position; and (3) the statements of cash flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require financial statements be presented on a nonconsolidated basis to focus on the Charter Academy as a whole. These statements present a long-term view of the Charter Academy's finances.

## THE STATEMENT OF NET POSITION

The statement of net position presents the financial position of the Charter Academy at the end of the fiscal year and reflects all assets, deferred outflow of resources, liabilities, and deferred inflows of resources of the Charter Academy. Net position, the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is one indicator of the current financial condition of the Charter Academy, while the change in net position is an indicator of whether the overall financial condition has improved or declined during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical costs less an allowance for depreciation.

A summarized comparison of the Charter Academy's assets, liabilities, and net position is presented in the following table:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b>ASSETS</b>		
Total current assets	\$ 2,957,384	\$ 2,414,768
Total noncurrent assets	1,441,397	101,887
Total assets	<u>\$ 4,398,781</u>	<u>\$ 2,516,655</u>
<b>LIABILITIES</b>		
Total current liabilities	\$ 154,309	\$ 10,123
Total liabilities	<u>\$ 154,309</u>	<u>\$ 10,123</u>
<b>NET POSITION</b>		
Invested in capital assets	\$ 1,441,397	\$ 101,887
Unrestricted	2,803,075	2,404,645
Total net position	<u>\$ 4,244,472</u>	<u>\$ 2,506,532</u>

The Charter Academy's assets totaled \$4,398,781 on June 30, 2025. This balance reflects a \$1,882,126, or 74.8%, increase as compared to the 2023-2024 fiscal year. In addition to the assets increase, liabilities increased by \$144,186, resulting in a fiscal year-end balance of \$154,309. As a result, the Charter Academy's net position increased by \$1,737,940, resulting in a fiscal year-end balance of \$4,244,472.

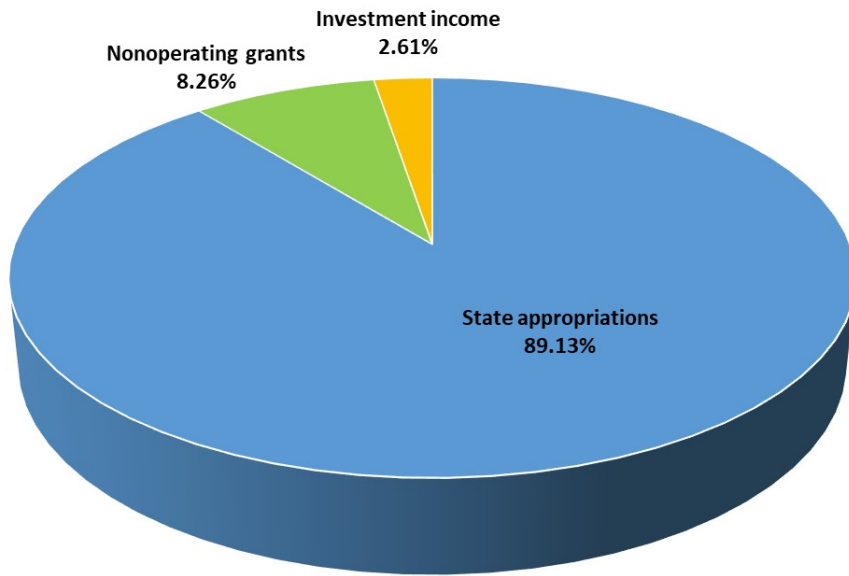
## THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statement of revenues, expenses and changes in net position presents the Charter Academy's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating.

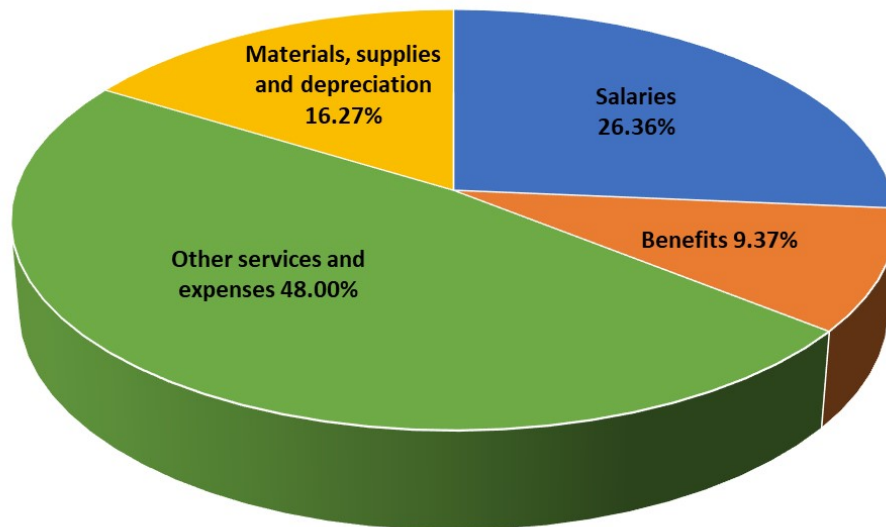
A comparison of the Charter Academy's revenues, expenses and changes in net position for the fiscal years ended 2025 and 2024 are shown in the following table:

	<b>For the Year Ended June 30, 2025</b>	<b>For the Year Ended June 30, 2024</b>
<b>EXPENSES</b>		
Operating expenses		
Salaries	\$ 749,843	\$ 242,905
Benefits	266,461	61,720
Contractual services	16,238	16,100
Other services and expenses	1,365,395	747,166
Materials and supplies	377,554	165,744
Depreciation	69,005	8,635
Total operating expenses	<u>2,844,496</u>	<u>1,242,270</u>
Operating loss	<u>(2,844,496)</u>	<u>(1,242,270)</u>
<b>NONOPERATING REVENUES</b>		
State appropriations from college	2,900,000	2,900,000
State appropriations from county school district	1,184,347	546,682
Nonoperating grants and contracts	378,394	-
Investment income	119,695	67,904
Total nonoperating revenues	<u>4,582,436</u>	<u>3,514,586</u>
Change in position	<u>1,737,940</u>	<u>2,272,316</u>
<b>NET POSITION</b>		
Net position, beginning	<u>2,506,532</u>	<u>234,216</u>
Net position, ending	<u>\$ 4,244,472</u>	<u>\$ 2,506,532</u>

The following is a graphical presentation of the Charter Academy's nonoperating revenues for the 2024-2025 fiscal year:



The following is a graphical presentation of the Charter Academy's operating expenses for the 2024-2025 fiscal year:



The Charter Academy's revenues and expenses increased during 2024-2025 due to increases in enrollment.

## STATEMENT OF CASH FLOWS

The statement of cash flows provides additional information about the Charter Academy's financial results by reporting the major sources and uses of cash. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows also helps users assess:

- **An entity's ability to generate future net cash flows.**
- **Its ability to meet its obligations as they come due.**
- **Its need for external financing.**

A comparative summary of the statements of cash flows for the Charter Academy for the fiscal years ended June 30, 2025 and 2024 is shown in the following table:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash provided (used) by		
Operating activities	\$ (2,631,305)	\$ (1,239,068)
Noncapital financing activities	4,460,630	3,446,682
Capital and related financing activities	(1,408,515)	(102,572)
Investing activities	119,695	67,904
Net increase in cash	<u>540,505</u>	<u>2,172,946</u>
Cash, beginning	2,414,768	241,822
Cash, ending	<u>\$ 2,955,273</u>	<u>\$ 2,414,768</u>

The following discussion presents an overview of cash flows:

- During the fiscal year ended June 30, 2025, cash increased by \$540,505. The increase in cash was mainly due to the increase in state appropriations resulting from the increase in enrollment.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Charter Academy adheres to College policies governing capital assets, which outline capitalization thresholds for financial reporting. Under these guidelines, furniture and equipment costing less than \$5,000; buildings, structures, and improvements costing less than \$65,000; and all library books and certain computer software are expensed in the year of purchase. The building occupied by the Charter Academy is owned by the College. As of June 30, 2025 and 2024, the Academy reported capital assets, net of accumulated depreciation, totaling \$1,441,397 and \$101,887, respectively.

## **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The economic position of the Charter Academy is closely tied to that of the State of Florida and Pensacola State College. The Charter Academy anticipates increased enrollment, continued growth of educational programs, improved student access, and overall excellence in the service to its students.

## **REQUESTS FOR INFORMATION**

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Vice President for Business Affairs, Pensacola State College, 1000 College Boulevard, Pensacola, Florida 32504.

Pensacola State College Charter Academy  
a Charter School and Restricted Fund of Pensacola State College

**STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b>2025</b>
<b>ASSETS</b>	
Current assets	
Cash	\$ 2,955,273
Due from other governments	2,111
Noncurrent assets	
Capital assets not being depreciated	772,193
Capital assets, net of accumulated depreciation	669,204
<b>TOTAL ASSETS</b>	<b>4,398,781</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable	130,986
Accrued expenses	23,323
Total current liabilities	154,309
<b>TOTAL LIABILITIES</b>	<b>154,309</b>
<b>NET POSITION</b>	
Invested in capital assets	1,441,397
Unrestricted	2,803,075
Total net position	4,244,472
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 4,398,781</b>

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

Pensacola State College Charter Academy  
a Charter School and Restricted Fund of Pensacola State College

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2025</u>
<b>EXPENSES</b>	
Operating expenses	
Salaries	\$ 749,843
Benefits	266,461
Contractual services	16,238
Other services and expenses	1,365,395
Materials and supplies	377,554
Depreciation	69,005
Total operating expenses	<u>2,844,496</u>
Operating loss	<u>(2,844,496)</u>
<b>NONOPERATING REVENUES</b>	
State appropriations from College	2,900,000
State appropriations from county school district	1,184,347
Nonoperating grants and contracts	378,394
Investment income	119,695
Total nonoperating revenues	<u>4,582,436</u>
Change in net position	<u>1,737,940</u>
<b>NET POSITION</b>	
Net position, beginning of year	<u>2,506,532</u>
Net position, end of year	<u>\$ 4,244,472</u>

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

Pensacola State College Charter Academy  
a Charter School and Restricted Fund of Pensacola State College

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2025</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to suppliers for goods and services	\$ (1,638,324)
Payments to employees	(726,520)
Payments for benefits	(266,461)
Net cash used in operating activities	<u>(2,631,305)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations from College	2,897,889
State appropriations from county school district	1,184,347
Grant funds	378,394
Net cash provided by noncapital financing activities	<u>4,460,630</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(1,408,515)
Net cash used in capital and related financing activities	<u>(1,408,515)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	119,695
Net cash provided by investing activities	<u>119,695</u>
Net change in cash	540,505
Cash, beginning of year	2,414,768
Cash, end of year	<u>\$ 2,955,273</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (2,844,496)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	69,005
Increase in accounts payable	120,863
Increase in other payable	23,323
Net cash used in operating activities	<u>\$ (2,631,305)</u>

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

# Notes To Financial Statements

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Reporting Entity**

Pensacola State College Charter Academy (the "Charter Academy") is a restricted fund of Pensacola State College (the "College"). The financial statements present only the financial position, changes in financial position and cash flows of only that portion of the business-type activities of the College applicable to the operations of the Charter Academy. The general operating authority of the Charter Academy is contained in Section 1002.33, Florida Statutes. The Charter Academy operates under a charter with the sponsoring school district, the School Board of Escambia County, Florida ("Sponsor"). As part of their financial reporting responsibilities, the Sponsor may evaluate the Charter Academy as a component unit of the sponsoring school district. The initial charter was approved on June 21, 2022 and is effective until June 30, 2027. The charter can be renewed every five school years or longer by mutual written agreement of the parties, pursuant to Florida law. At the end of the term of the charter, the Sponsor may choose not to renew the charter under grounds specified in the charter, in which case the Sponsor is required to notify the Charter Academy, in writing, at least 90 days prior to the charter's expiration. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown.

### **Basis of Presentation**

The Charter Academy's accounting policies conform to accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the College and the Charter Academy with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public colleges various reporting options. The Charter Academy has elected to report as an entity engaged in only business-type activities. The records of the Charter Academy are maintained as a fund on the books of the College.

### **Basis of Accounting**

Basis of accounting refers to when revenues, expenses and related assets, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Charter Academy's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Basis of Accounting (Continued)**

The Charter Academy's principal operating activity is instruction. Since student fees are not assessed for instruction, no operating revenue is reported. Operating expenses generally include all transactions directly related to instruction as well as administration, support, student services, and operations. Nonoperating revenues include state noncapital appropriations, investment income, and grant income.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Charter Academy's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

### **Cash and Cash Equivalents**

The amount reported as cash consists of cash on hand and cash in demand deposit accounts. Cash deposits of the Charter Academy are held by banks designated as qualified public depositories under Florida Statute Chapter 280 and as such, are fully collateralized and insured.

### **Capital Assets**

The College and, therefore, the Charter Academy, have a capitalization threshold of \$5,000 for furniture and equipment and \$65,000 for buildings and other structures and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Furniture, Machinery, and Equipment – 3 to 10 years
- Buildings and Other Structures – 20 years

### **Net Position**

Net position represents the difference between assets, deferred outflows of resources and liabilities, and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. Net position not reported as restricted net position is reported as unrestricted net position.

### **Revenue Sources**

Revenue for current operations is received from the School Board of Escambia County, Florida pursuant to the funding provisions included in the Charter Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33(18)(b), Florida Statutes, the Charter Academy reports the number of full-time equivalent (FTE) students and related data to the District. State appropriations, contributions, and grant funding are classified as nonoperating revenue. The level of the Charter Academy's operations and program services may be impacted or discontinued if funding is not renewed.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from the estimates.

## NOTE 2. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025 is shown in the following table:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets, not being depreciated				
Construction-in-progress	\$ 9,750	\$ 762,443	\$ -	\$ 772,193
Total assets, not being depreciated	<u>9,750</u>	<u>762,443</u>	<u>-</u>	<u>772,193</u>
Capital assets being depreciated				
Equipment, furniture and fixtures	101,190	646,072	-	747,262
Total assets being depreciated	<u>101,190</u>	<u>646,072</u>	<u>-</u>	<u>747,262</u>
Less accumulated depreciation				
Total accumulated depreciation	<u>(9,053)</u>	<u>(69,005)</u>	<u>-</u>	<u>(78,058)</u>
Total depreciable capital assets, net	<u>\$ 92,137</u>	<u>\$ 577,067</u>	<u>\$ -</u>	<u>\$ 669,204</u>
Total capital assets	<u>\$ 101,887</u>	<u>\$ 1,339,510</u>	<u>\$ -</u>	<u>\$ 1,441,397</u>

## NOTE 3. FUNCTIONAL DISTRIBUTION OF EXPENSES

Operating expenses on the statement of revenues, expenses, and changes in net position are presented in natural classifications. Below are those same expenses presented in functional classifications as recommended by NACUBO. The functional classification is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. Functional classification of expenses for the year ended June 30, 2025 is summarized in the following table:

	<b>2025</b>
Instruction	\$ 714,290
Academic support	137,271
School administration	1,266,755
Food service	39,448
Operation of plant	172,552
Maintenance of plant	75,376
Board	16,000
Exceptional education	21,807
Transportation	331,992
Depreciation	69,005
Total operating expenses	<u>\$ 2,844,496</u>

#### **NOTE 4. RELATED PARTIES**

The College may make purchases on behalf of the Charter Academy and may seek reimbursement from the Charter Academy for various expenses. All employees of the Charter Academy are employees of the College.

Pensacola State College contributed \$2,900,000 during the period ended June 30, 2025 to help offset operating costs incurred or expected to be incurred for textbooks, nutrition, contracted services, educational supplies, and anticipated costs associated with the opening of an additional campus. There is no agreement to repay these funds.

##### **Tuition**

Florida Statute Section 1007.271, *Dual Enrollment Programs*, addresses enrollment of eligible secondary students in post-secondary courses creditable toward high school completion and a career certificate or an associate or baccalaureate degree.

The statute requires each district school superintendent and each public post-secondary institution president to develop a comprehensive dual enrollment articulation agreement for the respective school district and post-secondary institution. Such agreement must be submitted annually to the Florida Department of Education. The components of the articulation agreement include a requirement for a funding provision that delineates costs incurred by each entity. The funding provision requirement further details that school districts shall pay public post-secondary institutions the standard tuition rate per credit hour from funds provided in the Florida Education Finance Program when dual enrollment course instruction takes place on the post-secondary institution's campus, and the course is taken during the fall or spring term. In accordance with this legislation, the College invoiced the Charter Academy for the number of semester hours taken by Charter Academy students for classes at Pensacola State College, multiplied by the standard tuition rate per credit hour, for the fall and spring terms. The Charter Academy recorded this tuition expense totaling \$182,037 for the year ended June 30, 2025.

##### **Employee Expenses**

As employees of the College, personnel within the Charter Academy may accrue annual and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. Employees are also eligible to enroll as members of the state administered Florida Retirement System (FRS) for pension benefits, as well as the Florida College System Risk Management Consortium for other post-employment benefits. Due to the employees all being employed by the College, the liability for these benefits are recorded by the College and not the Charter Academy.

The Charter Academy's contributions to the state administered FRS for the year ended June 30, 2025 were \$90,069.

**NOTE 5. RISKS AND UNCERTAINTIES**

**Risk Management Programs**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks primarily through the Florida College System Risk Management Consortium (Consortium), which was created under authority of Section 1001.64(27), Florida Statutes, by the boards of trustees of the Florida public colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated state-wide college risk management program. The Consortium is self-sustaining through member assessments (premiums) and purchases excess insurance through commercial companies for claims in excess of specified amounts. Excess insurance from commercial companies provided coverage of up to \$100 million for property insurance. Insurance coverage obtained through the Consortium included fire and extended property, general and automobile liability, workers' compensation, health, life, and other liability coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**NOTE 6. SUBSEQUENT EVENTS**

The Charter Academy has evaluated all subsequent events through August 22, 2025 the date the financial statements were available to be issued.



## 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 Trustees  
Pensacola State College Charter Academy  
Pensacola, 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 Pensacola State College Charter Academy (the "Charter Academy"), a Charter School and restricted fund of Pensacola State College, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Charter Academy's basic financial statements, and have issued our report thereon dated August 22, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Academy's internal control.

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
August 22, 2025



## Independent Auditor's Management Letter

**Board of Trustees  
Pensacola State College Charter Academy  
Pensacola, Florida**

### **Report on the Financial Statements**

We have audited the financial statements of Pensacola State College Charter Academy (the "Charter Academy"), a Charter School and restricted fund of Pensacola State College, as of and for the fiscal year ended June 30, 2025 and have issued our report thereon dated August 22, 2025.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, dated August 22, 2025 should be considered in conjunction with this management letter.

### **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 Charter School is Pensacola State Charter Academy; 2102.

## 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 Charter 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 Charter Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the Charter Academy. It is management's responsibility to monitor the Charter 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 the same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## Transparency

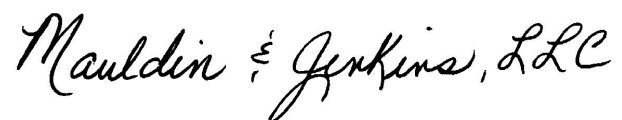
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Charter Academy maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Charter Academy maintained on its website 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 note 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 District of Escambia County and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida  
August 22, 2025