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Certified Public Accountants

Since 1979

**BREVARD
INNOVATIVE
CHARTER
SCHOOLS, INC.
(A Component Unit of the
School Board of Brevard County, Florida)
d/b/a Sculptor Charter School**

Basic Financial Statements and
Supplementary Information

For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brevard Innovative Charter Schools, Inc.
d/b/a Sculptor Charter School
Titusville, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brevard Innovative Charter Schools Inc. d/b/a Sculptor Charter School (the "School"), a component unit of the School Board of Brevard County, Florida (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 31-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2025, on our consideration of School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering School's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Amy Gray & Co." The signature is written in a cursive style.

August 30, 2025,
Miami, Florida

Management's Discussion and Analysis

As management of Brevard Innovative Charter Schools, Inc. d/b/a Sculptor Charter School (the "School") which is a component unit of the School Board of Brevard County, Florida (the "District"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements listed in the table of contents.

Financial Highlights

- At the close of the most recent fiscal year, the School's total assets of \$9,069,697 exceeded its total liabilities of \$3,728,451, resulting in a net position of \$5,334,187.
- The School's total net position grew by \$799,711 during the fiscal year.
- As of the close of the fiscal year, the School's governmental funds reported combined ending fund balances totaling \$4,706,526. The unassigned fund balance for the General Fund was \$3,034,602.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the School's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Government-wide Financial Statements. (continued) Both government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Instruction, student support services, and school administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the District. The District includes the operations of the School in their operational results.

The government-wide financial statements can be found as listed in the table of contents of this report.

Fund financial statements. A fund is a collection of related accounts grouped together to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. The general fund, debt service fund, and capital outlay fund are reported as major funds.

The governmental fund financial statements can be found as listed in the table of contents of this report.

The School adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules and notes to these schedules have been provided to demonstrate compliance with this budget and can be found as listed in the table of contents of this report.

Notes to the financial statements. The notes 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 starting as listed in the table of contents of this report.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. As of June 30, 2025, assets exceeded liabilities by \$5,334,187 (net position).

The largest portion of the School's net position is the unrestricted portion (60%). Another portion of the net position reflects its net investment in capital assets reduced by any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets totaled \$650,168 on June 30, 2025, whereas the restricted portion amounted to \$1,491,540. Comparison of the condensed statement of net position and the statement of activities are provided below:

Sculptor Charter School			
Statement of Net Position			
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
ASSETS			
Current Assets	\$ 4,706,526	\$4,413,073	\$293,453
Capital Assets net	4,363,441	4,089,449	273,992
Total Assets	9,069,967	8,502,522	567,445
LIABILITIES			
Current Liabilities	300,630	402,074	(101,444)
Noncurrent Liabilities	3,435,151	3,565,972	(130,821)
Total Liabilities	3,735,781	3,968,046	(232,265)
NET POSITION			
Net Investment in Capital Assets, net of related Debt	650,168	392,800	257,368
Restricted	1,491,540	1,674,228	(182,688)
Unrestricted	3,192,479	2,467,449	725,030
Total net position	\$ 5,334,187	\$ 4,534,476	\$ 799,711

Current assets increased by \$293,453 and capital assets increased by 5% or \$273,992. Liabilities reduced by \$232,265, thus strengthening solvency. Total net position improved significantly from \$4,534,476 to \$5,334,187 (+\$799,711 or +17.6%), with notable gains in net investment in capital assets (from \$392,800 to \$650,168) or \$257,368. Unrestricted net position, signaling stronger operational flexibility, and increased by \$725,080. However, restricted funds for other governmental purposes declined by \$182,688, from \$1,674,228 to \$1,491,540.

**Sculptor Charter School
Statement of Activities**

	2025	2024	Variance
Revenues			
Program revenues			
Charges for services	\$ 187,542	\$ 171,722	\$ 15,820
Operating grants and contributions	73,794	32,069	41,725
Capital grants and contributions	998,447	532,390	466,057
General revenues			
State passed through local school district	5,214,631	6,288,747	(1,074,116)
Other revenues	278,313	268,176	10,137
Total Revenues	\$6,752,727	\$7,293,104	(\$540,377)
Expenses:	2025	2024	Variance
Basic instruction	\$3,489,813	\$ 3,676,752	\$ (186,939)
Exceptional students	257,553	183,405	74,148
Student support services	102,225	114,010	(11,785)
Instructional media services	99,104	81,567	17,537
Instructional staff training services	18,798	49,427	(30,629)
Instruction related technology	135,180	222,062	(86,882)
Board	13,510.59	5,365	8,146
School administration	502,125	462,220	39,905
Facilities acquisition and constructions	264,054	42,298	221,756
State Passed Through	-	-	-
Student transportation services	83,166	79,461	3,705
Operation of plant	676,420	888,867	(212,447)
Maintenance of plant	120,420.70	70,778	49,643
Community service	-	124,618	(124,618)
Debt service	190,645	202,536	(11,891)
Loss on disposal of assets	-	-	-
Total Expenses	5,953,015	6,203,366	(250,351)
Changes in net position	799,711	1,089,738	-290,027
Adjustment to beginning balance		-	-
Net position at July 1, 2024	4,534,476	3,444,738	1,089,738
Net position at June 30, 2025	\$5,334,187	\$4,534,476	\$799,711

In 2025, the school earned \$6.75 million, down \$540,671 (-7.4%) from 2024. State funding provided \$5.74 million (85% of revenues) but fell by nearly \$547,000 (8.7%). Charges for services declined sharply (-80%) and operating grants dropped slightly, while capital grants rose by \$199,000 (+37%), helping offset losses. Other revenues also dipped modestly. Overall, revenues was reduced in both state support and fee-based income.

Total expenses were \$5.93 million, a decrease of \$272,000 (-4.4%). Basic instruction remained the largest share (57%), though it declined by nearly \$286,000. Spending grew in facilities (+953%), administration (+25%), and community service (+28%). Meanwhile, operation of plants fell by \$398,000, technology dropped by \$89,000, and maintenance of the plant was eliminated. The school recorded a surplus of \$821,000, down 25% from 2024. After a small adjustment, the net position rose from \$4.53 million to \$5.33 million, an overall increase of \$799,000 (+18%). Despite lower revenues and a smaller surplus, the school remains in a strong financial position with healthy reserves. Brevard Innovative Charter Schools dba Sculptor Charter School ended 2025 in a financially stable position with a 12% surplus margin and growing net assets.

Financial Analysis of the Government's Funds

Fund accounting is used to demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2025, the School's governmental funds reported a combined ending fund balance of \$4,706,526.

The general fund is the main operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$3,034,602.

Actual General Fund revenues exceeded budgeted amounts, and actual General Fund expenditures also surpassed budgeted expenditures. Detailed budgetary information for the General Fund is presented in the section referenced in the Table of Contents of this report. Capital Asset and Debt Administration

Capital Assets. The School's investment in capital assets for its governmental type activities as of June 30, 2025, amounts to \$4,363,441, net of accumulated depreciation. This investment in capital assets includes building, building improvements, land improvements, equipment, and vehicles. Additional information on the School's capital assets can be found in Note D.

Debt Administration. The School's notes payable balance on June 30, 2025, totaled \$3,515,968. Additional information on the School's long-term obligations can be found in Note E.

Request for Information

This financial report is designed to provide a general overview of Sculptor Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sculptor Charter School, 1301 Armstrong Drive, Titusville, FL 32780.

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

STATEMENT OF NET POSITION

For the Year Ended June 30, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalent	\$ 3,210,048
Investment - Restricted	1,397,220
Interest Receivables	-
Receivables, net	-
Due from other agencies	2,016
Prepaid Expenses	4,938
Total Current Assets	4,614,222
Other Assets	92,304
CAPITAL ASSETS	
Capital assets not being depreciated	496,140
Capital Assets, net of Accumulated depreciation	3,867,301
Total Capital Assets net	4,363,441
Total Assets	9,069,967
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts Payable	(8,569)
Accrued Payroll	165,941
Other Accrued Liabilities	15,489
Accrued Interest Payable	-
Total Current Liabilities	172,861
Long-Term Liabilities	
Portion due Within one Year	
Accrued compensated absences	2,585
Notes payable	125,184
Portion due after one year	
Accrued compensated absences	44,366
Notes payable	3,390,784
Total Long-Term Liabilities	3,562,920
Total Liabilities	3,735,781
NET POSITION	
Net Investment in Capital Assets, net of related debt	650,168
Restricted for:	
Prepays	4,938
Debt Service	1,397,220
Other Governmental Funds	2,016
Unrestricted	3,279,845
Total net Position	\$ 5,334,187

The accompanying notes are an integral part of this statement.

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

STATEMENT OF ACTIVITIES					
For the Year Ended June 30, 2025					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Basic instruction	\$ 3,489,813	\$ 51,795	-	\$ -	\$ (3,438,018)
Exceptional students	257,553				(257,553)
Student support services	102,225				(102,225)
Instructional media services	99,104				(99,104)
Instructional staff training services	18,798				(18,798)
Instruction related technology	135,180				(135,180)
Board	13,510.59				(13,511)
School administration	502,125				(502,125)
Facilities Acquisition and Constructions	264,054		18,052	293,581	47,579
Fiscal Services					-
Student transportation services	83,166				(83,166)
Operation of plant	676,421				(676,421)
Maintenance of plant	120,420.70				(120,421)
Community service	-				-
Debt service	190,645			437,647	247,002
					-
Total governmental activities	\$5,953,016	\$51,795	\$18,052	\$731,228	\$ (5,151,941)
General revenues:					
					\$ 5,214,631
					1,538,096
					6,752,727
					799,711
					4,534,476
					\$ 5,334,187

The accompanying notes are an integral part of this statement.

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2025**

ASSETS	General Fund	Debt Service Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalent	\$ 3,210,048	-	-	-	\$ 3,210,048
Investment - Restricted		1,397,220			1,397,220
Interest Receivables	-				-
Receivables, net	-				-
Due from other agencies			92,304	2,016	94,320
Prepaid Expenses	4,938				4,938
Due from other funds	0				0
Total Assets	3,214,986	1,397,220	92,304	2,016	4,706,526
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	(8,569)				(8,569)
Accrued Payroll	165,941				165,941
Accrued compensated absences					-
Due to Other funds	-				-
Other Accrued Liabilities	18,074		0	0	18,074
Total Liabilities	175,446	-	0	-	175,446
FUND BALANCES					
Nonspendable					
Prepaid Expenses	4,938				4,938
Deposit					
Restricted		1,397,220	92,304	2,016	1,491,540
Unassigned	3,034,602		-		3,034,602
Total Fund balances	3,039,539	1,397,220	92,304	2,016	4,531,080
Total Liabilities and Fund Balances	\$ 3,214,986	\$ 1,397,220	\$ 92,304	\$ 2,016	\$ 4,706,526

The accompanying notes are an integral part of this statement.

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

**RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET
POSITION - June 30, 2025**

Total Fund balance - Governmental Funds	\$4,531,080
The net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	4,363,441
Other Resources not Available in the Current Period and not reported in the Governmental Funds.	2,587
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Accrued interest payable	-
Notes payable	(3,515,968)
Accrued compensated absences	(46,952)
Internal Funds Liabilities	
Total Net Position of Governmental Activities	\$5,334,187

The accompanying notes are an integral part of this statement.

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES GOVERNMENTAL FUNDS - Year Ended June 30, 2025**

	General Fund	Debt Service Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Federal passed through state and State passed through local school	5,203,629		453,461	18,052	5,675,142
Gifts, grants, and bequests	-				-
Other revenues	225,048	63,977	544,985	243,576	1,077,585
Total revenues	5,428,676	63,977	998,446	261,628	6,752,727
Expenditures Current:					
Current:					
Basic instruction	3,489,813				3,489,813
Exceptional students	257,553				257,553
Student support services	102,225				102,225
Instructional media services	99,104				99,104
Instructional staff training	18,798				18,798
Instruction related technology	135,180				135,180
Board	13,511				13,511
School administration	502,125				502,125
Facilities Acquisition and	264,054				264,054
Fiscal Services	-				-
Student transportation services	83,166				83,166
Operation of plant	364,787		293,581	18,052	676,420
Maintenance of plant	-		120,421		120,421
Community service	-				-
Debt service:					
Principal		168,555			168,555
Interest		190,645			190,645
Total expenditures	5,330,317	359,201	414,002	18,052	6,121,571
Excess (deficiency) of revenues over (under) expenditures	98,359	(295,224)	584,444	243,576	631,156
Other financing sources and (uses)					
Transfers in	378,162	359,201			737,363
Transfers out		(3,665)	(492,138)	(241,560)	(737,363)
Total other financing sources and	378,162	355,536	(492,138)	(241,560)	-
Net change in fund balance	476,522	60,312	92,306	2,016	631,156
Fund balances as of July 1, 2024	3,446,356	1,336,908	0	326,429	5,109,693
Prior period adjustment	-883,340			-326,429	-1,209,769
Adjusted Fund Balance - July 1, 2024	2,563,016	1,336,908	0	0	3,899,924
Fund balances at June 30, 2025	3,039,538	1,397,220	92,306	2,016	4,531,080

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

BREVARD INNOVATIVE CHARTER SCHOOLS, INC.
(A Component Unit of the School Board of Brevard County, Florida)

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
For the Year Ended June 30, 2025**

Net Change in Fund Balances - Governmental Funds		\$ 631,156
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	313,592	
Depreciation expense	(264,054)	49,537
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payment of long-term debt	168,555	168,555
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Accrued interest	-	
Compensated absences	-	(49,537)
Change in Net Position - Governmental Activities		\$ 799,711

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

Brevard Innovative Schools, Inc
(A Component Unit of the School of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Brevard Innovative Charter Schools, Inc. d/b/a Sculptor Charter School (the "School") is 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 governing body of the School is the Board of Directors, which is composed of six members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School Board of Brevard County, Florida (the "District"). The current charter is effective until June 30, 2027. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter agreement in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only the governmental activities as the School does not engage in any business type activities.

Net position, the difference between assets, liabilities, and deferred outflows/inflows of resources, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation. Unrestricted net position includes all the remaining net position that does not meet the definition of the other two components.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental fund. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The School reports the general fund, debt service fund and capital outlay fund as its major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when liability is incurred.

All government fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days, for all revenues except surtax which is ninety days of the end of the current fiscal period.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as an expenditure only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized based on funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - is the general operating fund of the School and is used to account for all financial resources not required to be accounted for in another fund.

Debt Service Fund - this fund accounts for the resources accumulated and payments made for principal and interest on the School's long-term debt.

Capital Outlay Fund – is a special revenue fund used in accordance with guidelines established by the Brevard County School District, Florida. This fund accounts for all resources for the lease or acquisition of capital facilities by the School to the extent funded by capital grants.

4. Cash and cash equivalents

The School's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Receivables and due from other agencies

Receivables are reported net of an allowance for uncollectible accounts, based on management's experience with the specific type and nature of the receivables. As of June 30, 2025, the School reported no general receivables, compared to the prior year which also reflected no balance. Amounts due from other agencies declined significantly from \$21,378 in 2024 to \$2,016 in 2025, a decrease of \$19,362 (-90.6%), reflecting more timely collections of agency reimbursements. Interest receivable decreased from \$2,475 in 2024 to zero in 2025, likely due to the timing of interest payments or changes in interest-bearing investments. Overall, the School demonstrated strong receivable management, with minimal outstanding balances at year-end.

6. Interfund activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. As of June 30, 2025, the balances of these accounts are not material.

7. Prepaid expense

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid expenses in both the government-wide and fund financial statements. At June 30, 2025, the School reported prepaid expenses of \$4,938, compared to \$10,892 as of June 30, 2024, representing a decrease of \$5,954 (-54.7%). This reduction indicates that fewer payments were made in advance for goods or services to be received in future periods. The lower year-end balance suggests that more prepaid items were utilized during the current year or that the timing of advance payments shifted closer to the period of service, improving short-term cash availability.

8. Capital assets

Capital assets are reported in the governmental activities' column on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Capital assets (continued)

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Building	39
Building improvements	5-43
Land improvements	5-20
Equipment	3-10
Vehicle	5-12

On June 30, 2025, the School’s capital assets totaled \$4,363,441, compared to \$4,089,449 at June 30, 2024, an increase of \$273,992 (+6.7%). Capital assets not being depreciated decreased from \$602,946 in 2024 to \$496,140 in 2025 (–\$106,806 / –17.7%), likely reflecting the completion of construction-in-progress or similar projects that were reclassified to depreciable assets. Capital assets, net of accumulated depreciation, increased from \$3,486,504 to \$3,867,301 (+\$380,797 / +10.9%), indicating new asset acquisitions or improvements exceeding the current year’s depreciation expense. Overall, the growth in net capital assets reflects continued investment in the School’s infrastructure and long-term operational capacity.

9. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and repayments of debt principal as debt service expenditures.

10. Compensated absences

The School accrues earned but unused sick and vacation benefits in accordance with accounting principles generally accepted in the United States of America. The School has adopted a policy allowing limited vesting of unused employee leave time. The entire compensated absences liability is reported on the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, when employees separate from service with the School.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent ("FTE") students and related data to the District.

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education ("FDOE") for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods. The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues are derived from various fundraising activities, interest on bank accounts, student activities, and other miscellaneous items.

12. Income taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The School recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax- exempt status of the School and various positions related to the potential sources of unrelated business taxable income. The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all its tax positions are more likely than not to be sustained upon examination.

The School files Form 990 in the U.S. federal jurisdiction. The School is generally no longer subject to examination by the Internal Revenue Service three years after a return was due or filed.

13. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Non-spendable fund balance - amounts that are not spendable (such as inventory and prepaid expense) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest level of action to remove or change the constraint.

Assigned fund balance - amounts the School intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. No other fund except the General Fund can report positive amounts of unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first followed by unrestricted resources (committed, assigned, and unassigned) as they are needed. The School does not have a formal minimum fund balance requirement.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE B - CASH AND CASH EQUIVALENTS

Custodial credit risk - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. As of June 30, 2025, the School reported cash and cash equivalents of \$3,210,048, compared to \$2,736,370 at June 30, 2024, an increase of \$473,678 (+17.0%). This growth reflects improved liquidity and a stronger cash position at year-end, likely driven by timely collections, controlled spending, or increased funding during the year. The higher cash balance enhances the School's ability to meet short-term obligations and provides greater flexibility for operational needs or future investments. The deposits are insured by the FDIC up to \$250,000 per financial institution.

NOTE C - INVESTMENTS

The School categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The statement establishes a hierarchy of inputs to valuation techniques to measure fair value with three levels.

- Level 1 inputs are the quoted price (unadjusted) in active markets for identical assets and liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs, such as management's assumptions of the default rate among underlying mortgages of a mortgage-backed security.

As of June 30, 2025, all the School's \$ 1,397,220 investments are in government money market funds.

The money market funds are classified as Level 1 of the fair value hierarchy. In addition, the money market funds had a Standard & Poor's rating of AAAm.

Interest Rate Risk - The School's investment policy has the objective of minimizing risk to the value of securities due to changes in the general interest rates.

Brevard Innovative Charter Schools, Inc
(A Component Unit of the School Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE C - INVESTMENTS (continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School's policy allows for investments in a) local government investment pools which carry an AAAM rating at purchase, b) FDIC insured certificates of deposits, c) deposits in qualified state depositories, d) U.S. Treasury and affiliated Agency securities, and e) guaranteed insurance contracts with the top ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk - \$1,370,414 of the School's investments are reserve funds held by an institutional trustee in accordance with the terms of the trust indenture.

Concentration of Credit Risk - Reserve funds of \$1,282,665 in accordance with the indenture, are all invested in one money market mutual fund.

NOTE D - CAPITAL ASSETS

Changes in capital assets activity were as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, not depreciated				
Land	496,140	-	-	496,140
Construction in Progress	106,806		106,806	-
Total capital assets, not depreciated	602,946	-	-	496,140
Capital assets depreciated:				
Building	3,733,364	-	-	3,733,364
Building improvements	1,518,545	443,629	-	1,962,173
Land improvements	286,767	39,531	8,691.00	317,607
Equipment	584,354	167,008	4,350.00	747,012
Motor Vehicles	214,612	-	-	214,612
Automobile	10,981	-		10,981
Total capital assets depreciated	6,348,622	650,168	13,041.00	6,985,748
Less accumulated depreciation:				
Building	1,524,527	103,521	-	1,628,048
Building improvements	723,468	57,192	-	780,660
Land improvements	156,286	22,672	3,375.36	175,583
Equipment	376,064	62,785	4,350.00	434,499
Vehicle	70,792	17,884		88,676
Automobile	10,980	-	-	10,980
Total accumulated depreciation	2,862,117	264,054	-	3,118,446
Total capital assets, net	4,089,450	386,113	13,041	4,363,442

Brevard Innovative Charter Schools, Inc
(A Component Unit of the School Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE D – CAPITAL ASSETS (Continued)

Depreciation expense was charged to the functions/programs of the School as follows:

Depreciation by Functions/Programs		
Instruction		201,297
Student Support Service		5,358
Instructional Media Service		4,828
School Administration		34,220
Student Transportation Service		5,690
Exceptional Students		12,661.54
Total		264,054

NOTE E - LONG-TERM LIABILITIES

1. Changes in long-term liabilities

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due in One year
Notes payable	\$ 3,684,524		\$ 168,555	\$ 3,515,968	\$ 125,184
Compensated absences	\$ 46,050	\$ 902		\$ 46,952	\$ 2,585
	\$ 3,730,574	\$ 902	\$ 168,555	\$ 3,562,920	\$ 127,769

Compensated absences in the governmental activities are typically liquidated by the general fund. The current portion is payable in the amount of \$2,585 and a non-current liability in the amount of \$46,952.

2. Notes payable

In November, 2022, the notes were paid off and a new mortgage in the amount of \$3,800,00 was secured. The prior mortgages, payable to TD Bank, were paid off in the amount of \$2,999,577 and \$587,747, accompanied by the closing costs, with a new disbursement to Brevard Innovative Charter Schools in the amount of \$157,860. The lender is Truist Bank.

Brevard Innovative Charter Schools, Inc
(A Component Unit of the School Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE E - LONG-TERM LIABILITIES (continued)

2. Note payable (continued)

The new note, which has maturity and interest rate terms mirroring the bonds, are secured by a pledge of revenues of the School and a Mortgage and Assignment Agreement of the School's "rents, leases and profits". Certain restrictive covenants are imposed by this debt, including maintaining the charter contract with the District and maintaining certain cash reserves. The interest rate is 5.25% per annum, with equal payments of \$25,777 payable on the 1st day of each month, commencing on January 1, 2023, and maturing on December 1, 2042. The School was in compliance with its debt covenants as of June 30, 2025.

Pledged revenues, comprising all revenues of the School, approximately \$6.7 million in Fiscal Year 2023, are significantly more than annual debt service requirements of \$309,524 in Fiscal Year 2024, and are expected to be adequate to fulfill the pledge for the remainder of the period the debt is outstanding.

In July 2020, the School executed another note payable with a finance company in the amount of \$214,612. The note accrues interest at 6.2%, matures In July 2025, and is collateralized with the School's buses. As of June 30, 2025, the outstanding balance of the note payable was 0 (zero).

The following is a schedule of future minimum payments for the School's long-term debt for the years ending June 30

Fiscal year ending	Principal	Interest	Total
June 30:	<u> </u>	<u> </u>	<u> </u>
2025	125,184	185,939	311,123
2026	132,013	177,331	309,344
2027	138,745	170,579	309,324
2028	146,782	162,542	309,324
2029	154,788	154,536	309,324
2030-2034	909,746	636,874	1,546,620
2035-2039	1,186,449	360,171	1,546,620
2040-2042	722,262	50,734	772,996
	<u><u>\$3,515,968</u></u>	<u><u>\$1,898,707</u></u>	<u><u>\$5,414,675</u></u>

Brevard Innovative Charter Schools, Inc
(A Component Unit of the School Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE F - NET POSITION

As of June 30, 2025, the School's restricted net position totaled \$1,494,462. This amount primarily comprises prepaid expenses of \$4,938, which represent resources paid in advance for future benefits; debt service funds of \$1,397,220, which are reserved to meet upcoming debt obligations; and other governmental funds of \$92,304, consisting of CARES and Title II & IV program resources, restricted for their intended federal purposes. These restrictions ensure that the funds are legally or contractually limited in use, providing transparency and accountability for designated programs and obligations.

NOTE G – PRIOR PERIOD ADJUSTMENT

Interfund activity had not been eliminated from prior years and because of this, the assets and fund balance was overstated. After reviewing the prior years, it was determined that \$1,209,769 (\$934,303 from prior years and \$275,466 for the current year) needed to be eliminated. By eliminating the interfund activity, a more accurate picture of the school's financial position and performance is reflected, ensuring that the financial statements reflect only transactions with external parties.

NOTE H - CONCENTRATIONS

Revenue sources

As stated in Note A-11, the School receives revenues for current operations primarily from the State of Florida through the District. Page 28 reflects the detail of the schedule of revenue sources and amounts:

Brevard Innovative Charter Schools, Inc
(A Component Unit of the School Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

Source	Amount
School Board of Brevard County:	
Base funding	\$ 3,104,869
Class size reduction	539,622
Discretionary Compression	88,086
Discretionary lottery/ Discretionary millage	407,793
Educational Enrichment	148,448
ESE guaranteed allocation	241,439
Mental Health	34,710
Proration	(43,815)
Safe Schools	58,652
Transportation	74,641
Other:PY Adjustment	782
Other: Dual Enroll	2,132
Instructional, materials Allocation	
Administrative fee	(38,184)
Total State passed through School Board of Brevard County Florida (Sub-total 1)	4,619,175
Capital Outlay	344,368
CARES/ESSER/GEER	7,565
IDEA	43,764
Local CAPITAL Improvement Tax	93,279
1.00 Mill Voter Referendum	575,086
Sales Surtax	544,985
Title II/ Title IV	30,030
SSIG	1,802
Hardening Grant	15,814
Total State passed through School Board of Brevard County Florida (Sub-total 2)	1,656,693
Revenues rceived through Brevard School Board	6,275,868
Revenues not Received through Brevard School District (Sub-total 2)	
Interest	63,977
BAC/VPK/ CARES VPK Spec. Revenue	187,542
Commissions/Contributions/Other Income/Planners	53,369
Playground Fundraising	5,440
Transportation	11,003
Revenues not received through Brevard School Board	321,329
Total Revenues	6,597,198
Amounts not considered by the district	155,529
Total Revenues	\$ 6,752,727

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2025

NOTE I - COMMITMENTS AND CONTINGENCIES

1 Legal

The School may be involved in legal actions arising from the normal course of activities and is also subject to periodic audits and inquiries by various regulatory agencies. Management is not aware of any pending or threatened litigation, claims or unasserted claims or assessments that may have a material effect on the School's financial statements.

NOTE J - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. General liability, automotive, and directors and officials' liability coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. There have been no significant changes in coverage limits, and no claims have been made over the past three years. Worker's compensation, in accordance with statutory limits, is provided by the School for its employees.

NOTE K - RETIREMENT PLAN

The School sponsors a defined contribution plan for all employees who have been employed full-time with the School for three years. The plan permits voluntary contributions from employees, based on a salary reduction agreement, and provides for employer matching contributions (3% for Fiscal Year 2022). During the year that ended June 30, 2025, the School made contributions of \$30,512 to the plan.

NOTE L - SUBSEQUENT EVENTS

The School has evaluated subsequent events through August 31, 2025, and determined that no material events require disclosure in the financial statements. However, recent developments—including state vetoes of education funding and a \$400 million federal funding freeze—may impact future grants and allocations for charter schools in Florida. Management is monitoring these changes, and while no adjustments have been made, the potential impact remains uncertain.

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Brevard Innovative Charter Schools, Inc.
(A Component Unit of the School Board of Brevard County, Florida)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL - GENERAL FUND**

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Budget
	Original	Final		
Revenues				
State passed through local school district	\$ 4,649,236	\$ 4,649,236	\$ 5,214,631	\$ 565,395
Gifts, grants, and bequests				-
Other revenues	816,674	816,674	1,607,943	791,269
Total revenues	5,465,910	5,465,910	6,822,574	1,356,664
Expenditures :				
Current:				
Basic instruction	3,342,743	3,342,743	3,489,813	147,070
Support Services	490,074	490,074	257,553	(232,521)
Student support services	-	-	102,225	102,225
Instructional media services	-	-	99,104	99,104
Instructional staff training services	-	-	18,798	18,798
Instruction related technology	-	-	135,180	135,180
Board	21,000	21,000	13,511	(7,489)
School administration	605,590	605,590	502,125	(103,465)
Pupil Transportation	98,046	98,046	264,054	166,008
Fiscal Services	17,500	17,500	-	(17,500)
	-	-	83,166	83,166
Operation of plant	397,235	397,235	676,421	279,186
Maintenance of plant	401,850	401,850	120,421	(281,429)
Community Services	186,084	186,084	-	(186,084)
Debt Service	-	-	190,645	190,645
Technology Services	-	-	-	-
Total expenditures	5,560,122	5,560,122	5,953,016	392,894
Excess (deficiency) of revenues over (under) expenditures	(94,212)	(94,212)	869,558	963,770
Other financing sources and (uses)				
Transfers in				
Transfers out	(50,538)	(50,538)	378,162	428,700
Total other financing sources and (uses)	(50,538)	(50,538)	378,162	428,700
Net change in fund balance	(144,750)	(144,750)	1,247,720	1,392,470
Fund balances at July 1, 2024, restated		2,563,016	2,048,126	(514,890)
Fund balances at June 30, 2025	\$ (144,750)	\$ 2,418,266	\$ 3,295,846	\$ 877,580

Brevard Innovative Charter Schools, Inc.
(A Component Unit of the School Board of Brevard County, Florida)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – DEBT SERVICE**

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income			63,977	63,977
Total Revenues				
Expenditures				
Pupil Transportation	\$ 51,214	\$ 51,214		\$ (51,214)
Debt Service	309,324	\$ 309,324	359,201	49,877
Total Expenditures	360,538	360,538	359,201	(1,337)
Excess (deficiency) of Revenues over (Under) Expenditures	(360,538)	(360,538)	(295,224)	(65,314)
Other Financing sources				
Loans				
Transfers In	360,538	360,538	355,536	5,002
Transfers out	(228,131)			
Total Other Financing sources and (uses)		360,538	355,536	5,002
Net Change in Fund Balance	-	-	60,312	(60,312)
Fund Balance at July 1, 2024		1,336,908	1,336,908	-
Fund Balance at June 30, 2025	\$ -	\$ 1,336,908	\$ 1,397,220	\$ (60,312)

See accompanying note to the required supplementary information.

Brevard Innovative Charter Schools, Inc.
(A Component Unit of the School Board of Brevard County, Florida)

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND
ACTUAL-CAPITAL OUTLAY**

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
State passed through local school district	\$ 310,000	\$ 310,000	\$ 453,461	\$ 143,461
Other Revenues	520,000	520,000	544,985	24,985
Total Revenues	830,000	830,000	998,446	168,446
Expenditures				
Operation of Plant	263,000	263,000	293,581	30,581
Maintenance of Plant	102,000	102,000	120,421	18,421
Total Expenditures	365,000	365,000	414,002	49,002
Excess (deficiency) of revenues over (under) expenditures	465,000	465,000	584,444	119,444
Other Financing sources				
Transfers In				
Transfers Out	-310,000	-310,000	-492,138	-182,138
Net Change in Fund Balance	155,000	155,000	92,306	-62,694
Fund Balance at July 1, 2024	0	0	0	0
Fund Balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -

Brevard Innovative Charter Schools, Inc.
(A Component Unit of the School Board of Brevard County, Florida)

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2025

NOTE A - BUDGETARY INFORMATION

The School's budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for all governmental fund activities and may be amended by the School's Board of Directors (the "Board"). The budgets presented for the fiscal year ending June 30, 2025, have been amended according to Board procedures.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

COMPLIANCE INFORMATION



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

To the Board of Directors
Brevard Innovative Charter Schools, Inc.
d/b/a Sculptor Charter School
Titusville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brevard Innovative Charter Schools, Inc. d/b/a Sculptor Charter School (the "School"), a component unit of the School Board of Brevard County, Florida (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 30, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

A handwritten signature in blue ink that reads "Cap Group & Co." The signature is written in a cursive, flowing style.

August 30, 2025,
Miami, Florida



MANAGEMENT LETTER

To the Board of Directors
Brevard Innovative Charter Schools, Inc.
d/b/a Sculptor Charter School
Titusville, Florida

Report on the Financial Statements

We have audited the financial statements of Brevard Innovative Charter Schools, Inc. d/b/a Sculptor Charter School (the "School"), a component unit of the School Board of Brevard County, Florida (the "District"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated August 30, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated August 30, 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. The School did not have findings or recommendations 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 is Brevard Innovative Charter Schools, Inc., d/b/a Sculptor Charter School 056508.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet 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 School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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 School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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



August 30, 2025

Miami, Florida