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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, 2024

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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, 2024, 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, 2024, 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 describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 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, 2024, 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.

August 31, 2024,
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, 2024 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

- The assets of the School (\$8,502,523) exceeded its liabilities (\$3,968,046) at the close of the most recent fiscal year by \$4,534,476 (net position).
- The School's total net position increased by \$1,089,739 from \$3,444,738 in 2023 to \$4,534,476 in 2024.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$5,109,693 for the fiscal year and an unassigned fund balance for the general fund \$3,446,356.

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, 2024, and 2023, assets exceeded liabilities by \$4,534,476 (net position) and \$3,444,738 (net position), respectively.

The largest portion of the School's net position is the unrestricted portion, thus, reversing the previous year situation. Another portion of the net position reflects its net investment in capital assets less 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 \$376,537 on June 30, 2024. Comparison of the condensed statement of net position and the statement of activities are provided below:

Sculptor Charter School Statement of Net Position

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
ASSETS			
Current Assets	\$ 4,413,073	\$3,751,039	\$662,034
Capital Assets net	4,089,449	3,919,944	169,505
Total Assets	<u>8,502,523</u>	<u>7,670,983</u>	<u>831,539</u>
LIABILITIES			
Current Liabilities	402,074	501,735	(99,660)
Noncurrent Liabilities	3,565,972	3,724,510	(158,538)
Total Liabilities	<u>3,968,046</u>	<u>4,226,245</u>	<u>(258,199)</u>
NET POSITION			
Net Investment in Capital Assets, net of related Debt	392,800	128,675	264,125
Restricted	1,674,228	1,831,763	(157,534)
Unrestricted	2,467,449	1,484,301	983,148
Total net position	<u>\$ 4,534,476</u>	<u>\$ 3,444,738</u>	<u>\$ 1,089,738</u>

The current assets register an increase of \$662,034. This increase in current assets is a result of timing of collection and payments to vendors of cash and cash equivalents, and an increase in investments restricted for servicing the debt service despite a decrease in all of other components of the current assets (Interest Receivables, Due from other agencies related to Title II & IV). However, the Capital Assets registers a slight increase of 4% from \$3,919,944 as of June 30, 2023, to \$4,089,449 as of June 30, 2024. The increase in capital assets is mainly due to the purchase of some Equipment and the increase of building Improvement and the Construction In Progress, thus, upsetting the amount of the depreciation. The total liability experienced a decrease of \$258,199 which represents a percentage reduction of 6% in comparison with the previous year. The decrease in the liabilities is due mainly to the decrease of Notes Payable. Accrued Interest

Payable. The decrease in noncurrent liabilities is due to the monthly payments of the principal of the Notes Payable.

**Sculptor Charter School
Statement of Activities**

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Revenues			
Program revenues			
Charges for services	\$ 171,722	\$ 465,159	\$ (293,437)
Operating grants and contributions	32,069	428,890	(396,821)
Capital grants and contributions	532,390	780,902	(248,512)
General revenues			
State passed through local school district	6,288,747	4,963,987	1,324,760
Other revenues	268,176	77,566	190,610
Total Revenues	<u><u>\$7,293,104</u></u>	<u><u>\$6,716,503</u></u>	<u><u>\$576,601</u></u>
Expenses:	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Basic instruction	\$3,676,752	\$ 3,067,370	\$ 609,382
Exceptional students	183,405	229,093	(45,687)
Student support services	114,010	124,804	(10,794)
Instructional media services	81,567	77,627	3,940
Instructional staff training services	49,427	27,731	21,696
Instruction related technology	222,062	183,068	38,994
Board	5,365	23,636	(18,271)
School administration	462,220	475,982	(13,763)
Facilities acquisition and constrictions	42,298	40,311	1,987
State Passed Through	-	-	-
Student transportation services	79,461	72,576	6,885
Operation of plant	888,867	1,050,373	(161,506)
Maintenance of plant	70,778	66,472	4,306
Community service	124,618	126,755	(2,138)
Debt service	202,536	305,377	(102,840)
Loss on disposal of assets	-	(1,098)	1,098
Total Expenses	<u><u>6,203,366</u></u>	<u><u>5,870,077</u></u>	<u><u>333,288</u></u>
Changes in net position	1,089,738	846,426	243,312
Net position at July 1, 2023	3,444,738	2,598,312	846,426
Net position at June 30, 2024	<u><u>\$4,534,476</u></u>	<u><u>\$3,444,738</u></u>	<u><u>\$1,089,738</u></u>

The total revenues were \$6,716,503 in the previous year and \$7,293,104 in the current year, thus an increase of \$576,601. This increase is mainly due to the increase of FTE funds, Miscellaneous State Revenue, the ARPA and ESSER programs, and the Millage income received through the county property tax collection as voted prior.

The total Expenses were \$5,870,077 in the previous year and \$ 6,203,366 in the current year, thus an increase of \$333,288. This increase is mainly due to the availability of special revenue funds such as ESSER & ARPA, the increase of Basic Instruction, Instructional Staff Training Services, and the Instruction Related Technologies.

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, 2024, the School's governmental funds reported a combined ending fund balance of \$5,109,693.

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 \$3,435,464.

General Fund Budgetary Highlights

Budgeted general fund revenues exceeded actual revenues and actual general fund expenditures exceeded budgeted expenditures. The general fund budgetary information can be found as listed 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, 2024, amounts to \$4,089,449, net of accumulated depreciation. This investment in capital assets includes building, building improvements, land improvements, equipment, and vehicle. 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, 2024, totaled \$3,684,523. Additional information on the School's long-term obligations can be found in Note E.

Economic Factors. Overall, the School is a high performing charter School and has received Best and Brightest bonuses for the teachers in the past. In fiscal year 2024, the School received a grade rating of B, after consistently maintaining an A grade in previous years. This change is attributed to a modification in the grading system. Florida surtax funds of \$532,390 were used for capital outlays of the School. The School receives this funding for six years in total (until December 2026). CARES Act federal assistance was received from the State and a local nonprofit, the Early Learning Coalition. The School used the funds to purchase supplies, equipment, and other approved expenses.

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.

STATEMENT OF NET POSITION

For the Year Ended June 30, 2024

ASSETS

CURRENT ASSETS	
Cash and cash equivalent	\$ 2,736,370
Investment - Restricted	1,336,908
Interest Receivables	2,475
Receivables, net	-
Due from other agencies	21,378
Prepaid Expenses	10,892
Total Current Assets	4,108,023
Other Assets	305,050
CAPITAL ASSETS	
Capital assets not being depreciated	602,946
Capital Assets, net of Accumulated depreciation	3,486,504
Total Capital Assets net	4,089,449
Total Assets	8,502,523
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts Payable	(7,653)
Accrued Payroll	228,013
Other Accrued Liabilities	17,113
Accrued Interest Payable	-
Total Current Liabilities	237,473
Long-Term Liabilities	
Portion due Within one Year	
Accrued compensated absences	203
Notes payable	164,601
Portion due after one year	
Accrued compensated absences	45,847
Notes payable	3,519,922
Total Long-Term Liabilities	3,730,573
Total Liabilities	3,968,046
NET POSITION	
Net Investment in Capital Assets, net of related debt	361,037
Restricted for:	
Prepays	10,892
Debt Service	1,336,908
Other Governemntal Funds	326,429
Unrestricted	2,499,212
Total net Position	\$ 4,534,476

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, 2024

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	\$ 3,676,752	171,722.15	24,393		\$ (3,480,637)
Exceptional students	183,405				(183,405)
Student support services	114,010				(114,010)
Instructional media services	81,567				(81,567)
Instructional staff training services	49,427				(49,427)
Instruction related technology	222,062				(222,062)
Board	5,365				(5,365)
School administration	462,220				(462,220)
Facilities Acquisition and Constrictions	42,298		7,676	164,520	129,898
Fiscal Services					-
Student transportation services	79,461				(79,461)
Operation of plant	888,867				(888,867)
Maintenance of plant	70,778				(70,778)
Community service	124,618				(124,618)
Debt service	202,536			367,870	165,334
Total governmental activities	\$6,203,366	\$171,722	\$32,069	\$532,390	\$ (5,467,185)
General revenues:					
State passed through local school district					\$ 6,288,746.81
Other revenues					268,176
Total revenues					6,556,923
Change in net position					1,089,738
Net position at July 1, 2023					3,444,738
Net position at June 30, 2024					\$ 4,534,476

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

**BALANCE SHEET –
GOVERNMENTAL FUNDS**

June 30, 2024

	General Fund	Debt Service Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalent	\$2,736,370				\$2,736,370
Investment - Restricted		1,336,908			1,336,908
Interest Receivables	2,475				2,475
Receivables, net	-				-
Due from other agencies			21,378	326,429	347,807
Prepaid Expenses	10,892				10,892
Due from other funds	917,182				917,182
Total Assets	3,666,919	1,336,908	21,378	326,429	5,351,634
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	(7,653)				(7,653)
Accrued Payroll	228,013				228,013
Accrued compensated absences	203				203
Due to Other funds	-		21,378		21,378
Total Liabilities	220,563	-	21,378	-	241,941
FUND BALANCES					
Nonspendable					
Prepaid Expenses	10,892				10,892
Deposit					-
Restricted		1,336,908		326,429	1,663,337
Unassigned	3,435,464				3,435,464
Total Fund balances	3,446,356	1,336,908	-	326,429	5,109,693
Total Liabilities and Fund Balances	\$3,666,919	\$1,336,908	\$0	\$326,429	\$5,330,255

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, 2024	
Total Fund balance - Governmental Funds	\$5,109,693
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.	4,089,449
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	(3,684,516)
Accrued compensated absences	(45,847)
Internal Funds Liabilities	(934,303)
Total Net Position of Governmental Activities	<u>\$4,534,476</u>

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

For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Federal passed through state					
State passed through local	\$ 6,288,747		\$ 367,870	\$ 32,069	\$ 6,688,686
Gifts, grants, and bequests	-				
Other revenues	439,898	-		164,520	604,418
Total revenues	6,728,645	-	367,870	196,589	7,293,104
Expenditures Current:					
Current:					
Basic instruction	3,676,752				3,676,752
Exceptional students	183,405				183,405
Student support services	114,010				114,010
Instructional media services	81,567				81,567
Instructional staff training	49,427				49,427
Instruction related	222,062				222,062
Board	5,365				5,365
School administration	428,744				428,744
Facilities Acquisition and	42,298			33,476	462,220
Fiscal Services	39,112				42,298
Student transportation	79,461				39,112
Operation of plant	813,164		211,099		79,461
Maintenance of plant	70,778				1,024,262
Community service	124,618				70,778
Debt service:					124,618
Principal		158,985			158,985
Interest		202,536			202,536
Total expenditures over (under) expenditures	5,930,762	361,521	211,099	33,476	6,536,858
Other financing sources and Transfers in	797,882	(361,521)	156,771	163,114	756,246
Transfers out	113,193	415,764		(372,186)	528,957
Total other financing sources and (uses)	113,193	415,764	(156,771)	(372,186)	(0)
Net change in fund balance	911,075	54,243	-	(209,073)	756,246
Fund balances at July 1, 2023	2,535,281	1,282,665	-	535,501	4,353,447
Fund balances at June 30, 2024	\$ 3,446,356	\$ 1,336,908	\$ -	\$ 326,429	\$ 5,109,693

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 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES		
For the Year Ended June 30, 2024		
Net Change in Fund Balances - Governmental Funds		\$ 756,246
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	392,800	
Depreciation expense	(218,495)	174,305
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	158,985	158,985
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	203	203
Change in Net Position - Governmental Activities		\$ 1,089,738

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

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2024

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, 2024

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 a 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, 2024

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, 2024

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. On June 30, 2024, the School has no Accounts receivable. In addition, the School reports an interest receivable balance of \$2,475 and a due from other agencies balance of \$21,378 which represents amounts owed to the School related to Title II, Title IV, ESSER, safety or security grant and capital outlay funds. No allowance has been reported for the due from other agencies balances because management considers them fully collectible.

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, 2024, the general fund nets to zero amount due from other fund and the general funds owed an amount of \$21,378 to the other governmental funds.

Transfers are used to move resources between the School's funds. During the current year, the capital outlay fund transferred \$156,771 to the debt service fund and the other government funds transferred \$372,186 to the debt service fund, for a total amount of \$415,764 and \$113,193 to general fund. Total transfers equal \$528,957.

7. Prepaid expense

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid expenses in the amount of \$10,892 in both the government-wide and fund financial statements.

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, 2024

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Revenue sources (continued)

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, 2024

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, 2024

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. The bank balances of the School's cash and cash equivalents balance was \$2,736,370 as of June 30, 2024. 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, 2024, all the School's \$1,336,908 investments are in government money market funds.

In connection with the issuance of its debt, further discussed in Note E, the School was required to deposit a portion of the proceeds and other required deposits from time to time with the trustee. The trust indenture only permits investments of funds in certain qualified investments, such as direct obligations of the United States, investments backed by the full faith and credit of the United States, highly rated money market funds, and certain other collateralized investments. As of June 30, 2024, the trustee held \$1,738,763 of reserve funds in money market funds. These 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 AAA.

Interest Rate Risk - The School's investment policy has the objective to minimize 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, 2024

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 AAA 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 - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The bank balance of the School's cash and cash equivalents was \$2,736,370 as of June 30, 2024. The main operating accounts are under public funds setting and are covered in their entirety by FDIC insurance as such. Other deposits are insured by the FDIC up to \$250,000 per financial institution.

Concentration of Credit Risk - Reserve funds of \$1,336,908 in accordance with the indenture, are all invested in one money market mutual fund. These funds are also fully insured.

NOTE D - CAPITAL ASSETS

Changes in capital assets activity were as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not depreciated				
Land	496,140	-	-	496,140
Construction in Progress	44,821	61,985		106,806
Total capital assets, not depreciated	540,961	61,985	-	602,946
Capital assets depreciated:				
Building	3,733,364	-	-	3,733,364
Building improvements	1,307,446	211,099	-	1,518,545
Land improvements	291,567	3,155	4,800.00	289,922
Equipment	496,401	116,561	-	612,962
Motor Vehicles	214,612	-	-	214,612
Automobile	10,981	-		10,981
Total capital assets depreciated	6,054,370	330,815	4,800.00	6,389,985
Less accumulated depreciation:				
Building	1,421,006	103,521	-	1,524,527
Building improvements	681,261	42,208	-	723,469
Land improvements	137,182	22,259	-	159,441
Equipment	373,540	31,132	-	404,672
Vehicle	62,398			62,398
Automobile		19,375	-	19,375
Total accumulated depreciation	2,675,387	218,495	-	2,893,882
Total capital assets, net	3,919,944	174,305	4,800	4,089,449

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, 2024

NOTE D – CAPITAL ASSETS (Continued)

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

Depreciation by Functions/Programs		
Instruction		178,098
Student Support Service		6,566
Instructional Media Service		4,194
School Administration		25,716
Student Transportation Service		3,921
Total		218,495

NOTE E - LONG-TERM LIABILITIES

1. Changes in long-term liabilities

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due in One year
Notes payable	\$ 3,839,708		\$ (155,184)	3,684,524	164,601
Compensated absences	\$ 50,045		\$ (3,995)	46,050	203
	\$ 3,889,753	\$ -	\$ (159,179)	\$ 3,730,574	\$ 164,804

Compensated absences in the governmental activities are typically liquidated by the general fund. The current portion is a payable in the amount of \$203 and a non-current liability in the amount of \$46,050.

2. Note payable

The lender is Truist Bank. The new note, which have 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.

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, 2024

Pledged revenues, comprising all revenues of the School, approximately \$7.3 million in Fiscal Year 2023-2024, are significantly more than annual debt service requirements of \$357,016 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, 2024, the outstanding balance of the note payable was \$49,846.24.

As of June 30, 2024, the outstanding balance of the promissory note xxxxxx6256 was \$3,634,677. The School was in compliance with its debt covenants at June 30, 2024.

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			
June 30:	Principal	Interest	Total
2025	164,601	185,939	350,541
2026	129,139	177,331	306,470
2027	132,013	170,579	302,591
2028	138,745	162,542	301,288
2029	146,782	154,536	301,317
2030-2034	862,689	636,874	1,499,563
2035-2039	1,125,193	360,171	1,485,364
2040-2044	985,363	50,734	1,036,098
	\$3,684,524	\$1,898,707	\$5,583,232

NOTE F - NET POSITION

On June 30, 2024, restricted net position consists of \$1,1,674,228 total. The restricted net position comprised of prepaid expenses in the amount of \$10,892, debt service funds in the amount of \$1,335,908 to service the future debt payments, and other governmental funds for CARES and Title II & IV in the amounts of \$326,429.

NOTE G - 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. The following is a 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, 2024

NOTES TO FINANCIAL STATEMENTS	
For the Year Ended June 30, 2024	
Source	Amount
School Board of Brevard County:	
Base funding	\$ 3,018,065
Class size reduction	542,144
Discretionary Compression	91,552
Discretionary millage	391,471
ESE guaranteed allocation	227,093
Funding Compression	(1,993)
Instructional, materials Allocation	148,340
MENTAL Health	30,870
Safe Schools	50,303
Transportation	61,852
Administrative fee	(39,112)
Total State passed through School Board of Brevard County Florida (Sub-total 1)	4,520,585
Capital Outlay	367,870
IDEA	9,251
Local CAPITAL Improvement Tax	532,390
Title II	12,231
1.00 Mill Voter Referendum	525,950
Hardenning Grant/SSIG	31,714
Civic Seal of Excellence	27,000
TITtle IV/ ESSER	784,788
Total State passed through School Board of Brevard County Florida (Sub-total 2)	2,291,194
Revenues rceived through Brevard School Board	6,811,779
Revenues not received through Brevard School Board	250,835
Total Revenues	\$ 7,062,614

NOTE H - 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2024

NOTE I - 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 J - RETIREMENT PLAN

The School sponsors a defined contribution plan for all employees who have been employed full time. The plan permits voluntary contributions from employees, based on a salary reduction agreement, and provides for employer matching contributions (the school matches upon the employees first contribution)

NOTE K - SUBSEQUENT EVENTS

The School has evaluated subsequent events and transactions for potential recognition or disclosure through August 31, 2024, the date at which the financial statements were available to be issued, and has determined that no material events have occurred that would warrant additional disclosure in the financial statements except for as follows:

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 - GENERAL FUND**

For the year ended June 30, 2024

Budgeted Amounts

	Original	Final	Actual	Variance with Final Budget
Revenues				
State passed through local school district	\$4,350,000	\$4,540,184	\$6,288,747	\$1,748,563
Gifts, grants, and bequests				\$0
Other revenues	\$270,900	\$811,276	\$439,898	-\$371,378
Total revenues	\$4,620,900	\$5,351,460	\$6,728,645	\$1,377,185
Expenditures :				
Current:				
Basic instruction	\$2,805,498	\$3,330,392	\$3,676,752	\$346,360
Exceptional students			\$183,405	\$183,405
Student support services	\$355,800	\$327,850	\$114,010	-\$213,840
Instructional media services			\$81,567	\$81,567
Instructional staff training services			\$49,427	\$49,427
Instruction related technology			\$222,062	\$222,062
Board	\$16,500	\$16,500	\$5,365	-\$11,135
School administration	\$534,464	\$506,950	\$428,744	-\$78,206
Facilities Acquisition and Construction			\$42,298	\$42,298
Fiscal Services	\$28,000	\$28,000	\$39,112	\$11,112
Student transportation services	\$88,450	\$92,200	\$79,461	-\$12,739
Operation of plant	\$432,000	\$590,500	\$813,164	\$222,664
Maintenance of plant	\$96,000	\$187,000	\$70,778	-\$116,222
Community Services	\$201,000	\$269,068	\$124,618	-\$144,450
Debt Service				\$0
Technology Services	\$14,000	\$3,000		-\$3,000
Total expenditures	\$4,571,712	\$5,351,460	\$5,930,762	\$579,302
Excess (deficiency) of revenues over (under) expenditures	\$49,188	\$0	\$797,882	\$797,882
Other financing sources and (uses)				
Transfers in			\$113,193	
Transfers out			\$0	\$0
Total other financing sources and (uses)	\$0	\$0	\$113,193	\$0
Net change in fund balance	\$49,188	\$0	\$911,075	\$797,882
Fund balances at July 1, 2023	\$0	\$2,123,394	\$2,535,281	\$411,887
Fund balances at June 30, 2024	\$49,188	\$2,123,394	\$3,446,356	\$1,209,769

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 – DEBT SERVICE**

For the year ended June 30, 2024

	Original	Final	Actual	Variance With Final Budget
Revenues				
Interest income			-	-
Total Revenues				
Expenditures				
Pupil Transportation	\$ 47,692	\$ 47,693	\$ 79,461	\$ (31,768)
Debt Service	180,439	309,323	361,715	
Principal				-
Interest				
Total Expenditures	228,131	357,016	441,176	(84,160)
Excess (deficiency) of Revenues over (Under) Expenditures	(228,131)	(357,016)	(441,176)	84,160
Other Financing sources				
Loans				
Transfers In	228,131	357,016	415,764	(58,748)
Transfers out	(228,131)	(357,016)		
Total Other Financing sources and (uses)		-	415,764	(58,748)
Net Change in Fund Balance	-	-	(25,412)	25,412
Fund Balance at July 1, 2023		1,282,665	4,353,447	1,282,665
Fund Balance at June 30, 2024	-	\$ 1,282,665	\$ 5,109,499	\$ 1,308,077

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, 2024

	Budgeted Amounts			Variance With Final Budget
	Original	Final		
Revenues				
State passed through local school district	\$303,611	\$841,611	\$367,870	-\$473,741
Other Revenues	\$450,000		\$0	\$0
Total Revenues	\$753,611	\$841,611	\$367,870	-\$473,741
Expenditures				
Total Expenditures	\$396,800	\$484,595	\$211,099	\$273,496
	\$396,800	\$484,595	\$211,099	\$273,496
Excess (deficiency) of revenues over (under) expenditures	\$356,811	\$357,016	\$156,771	-\$200,245
Other Financing sources				
Loans				
Transfers In				
Transfers Out	-\$228,131	-\$357,016	-\$156,771	\$200,245
Net Change in Fund Balance	\$128,680	\$0	\$0	\$0
Fund Balance at July 1, 2022	\$0	\$0	\$0	\$0
Fund Balance at June 30, 2023	\$0	\$0	\$0	\$0

See accompanying note to the required supplementary information.

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, 2024

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 ended June 30, 2024 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, 2024, 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 31, 2024.

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.

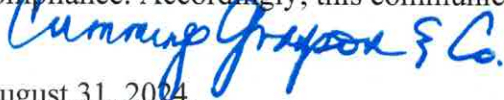
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



August 31, 2024,
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, 2024, and have issued our report thereon dated August 31, 2024.

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 31, 2024, 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 31, 2024,

Miami, Florida

