

ALTOONA SCHOOL, INC.
**(A COMPONENT UNIT OF LAKE COUNTY
DISTRICT SCHOOL BOARD)**
FINANCIAL STATEMENTS
JUNE 30, 2024

ALTOONA SCHOOL, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Altoona School, Inc.:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund of Altoona School, Inc. (the "School") 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Altoona School, Inc. 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

The School's 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 the 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 judgement, 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.

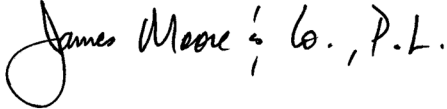
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
September 26, 2024

ALTOONA SCHOOL, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024

This section of Altoona School, Inc.’s annual financial report presents our discussion and analysis of the School’s financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the School’s financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Altoona School, Inc.(the “School”) using the integrated approach as prescribed by GASB Statement Number 34.

The Government-Wide Financial Statements present the financial picture of the School from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for the governmental activities. The Governmental Funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The Primary unit of the government is the School Board of Lake County, Florida.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

An overview of significant financial information from the current year includes:

- The school’s total net position decreased by approximately \$200 thousand.
- Total general fund expenses exceeded revenues by approximately \$120 thousand.
- Capital assets, net of depreciation, increased approximately by \$60 thousand.
- The School’s governmental funds reported combined ending fund balance of approximately \$400 thousand.

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

REPORTING THE SCHOOL AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the School as a whole and about its activities. These statements include *all* assets and liabilities of the School using the accrual basis accounting, which is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School's *net position* and changes in them. Net position is the difference between assets and liabilities and is one way to measure the School's financial health, or *financial position*. Over time, *increases or decreases* in the School's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the School's revenue base and the condition of the School's capital assets.

The relationship between revenues and expenses is the School's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the School. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we designate the School activities as follows:

Governmental activities—All of the School's services are reported in this category. This includes the education of elementary students, and the on-going effort to improve and maintain capital assets. Revenues received from the Florida Education Finance Program through the Lake County Public School system, Federal grants and miscellaneous local revenues finance these activities.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the School as a whole. Some funds are required to be established by State law. However, management may establish various funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies that it receives.

Governmental funds—The School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The differences between the governmental fund financial statements and the government-wide financial statements are explained in reconciliations following each governmental fund financial statement.

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

THE SCHOOL AS A WHOLE

Net Position

The School's net position was approximately \$1.1 million for the fiscal year ended June 30, 2024. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the School's governmental activities.

Table 1

	Governmental Activities	
	2024	2023
Current and other assets	\$ 609,326	\$ 784,216
Capital and right-to-use assets, net	897,132	873,810
Total assets	1,506,458	1,658,026
Current and other liabilities	260,199	259,698
Long-term liabilities	131,667	89,133
Total liabilities	391,866	348,831
Net position:		
Net investment in capital assets	693,778	712,990
Restricted	127,476	172,236
Unrestricted	293,338	423,969
Total net position	\$ 1,114,592	\$ 1,309,195

Changes in Net Position

The results of this year's operations for the School as a whole are reported in the Statement of Activities. Table 2 takes the information from the Statement and rearranges it slightly to more readily identify the total revenues for the year.

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

Changes in Net Position (Continued)

Table 2

	Governmental Activities	
	2024	2023
Revenues		
Federal sources passed		
through local school district	\$ 136,940	\$ 391,044
State and local sources	2,438,447	2,602,608
Charges for services	-	5,737
Contribution and other revenue	55,750	76,569
In-kind revenue	215,833	229,209
Total Revenues	2,846,970	3,305,167
Expenses		
Instruction	1,468,184	1,428,241
Student Support Services	147,560	141,164
Instructional Media Services	9,879	8,397
Instruction and Curriculum		
Development Services	63	29,608
Instructional Staff Training	9,419	746
Instructional-Related Technology	3,884	10,572
Board	19,846	17,963
General Administration	96,347	93,382
School Administration	274,015	297,900
Facilities Acquisition & Construction	57,181	53,058
Fiscal Services	100,327	109,541
Food Services	246,131	239,083
Central Services	15,779	14,409
Transportation	43,609	53,134
Operation of Plant	522,888	467,478
Maintenance of Plant	9,530	21,914
Administrative Technology	9,745	10,605
Community Services	3	1,450
Debt Service	7,183	7,133
Total expenses	3,041,573	3,005,778
Change in net position	\$ (194,603)	\$ 299,389

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

General Fund Budgetary Highlights

During the course of the fiscal year, the School revised its General Fund Budget in order to deal with unexpected changes in revenue and expenditures. The Governing Board adopts its initial budget based on projected enrollment and the corresponding projected revenues. Amendments are primarily required to reflect changes in revenue estimates from the State of Florida Education Finance Program (FEFP) as actual enrollments are determined. A schedule showing the School's original and final budget amounts compared with actual amounts paid and received is provided in budgetary comparison schedules as noted in the table of contents.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the School had \$663,023 in a broad range of capital assets (net of depreciation), including furniture, equipment and building improvements (Table 3). Right-to-use lease assets total \$234,109 (net of amortization).

Table 3

	Governmental Activities <u>June 30, 2024</u>	Governmental Activities <u>June 30, 2023</u>
Buildings and building improvements	\$ 1,082,244	\$ 1,042,999
Furniture, fixtures and equipment	145,683	125,318
Computer software	12,017	13,517
Motor vehicles	208,603	208,603
Accumulated Depreciation	(785,524)	(730,841)
Totals	<u>\$ 663,023</u>	<u>\$ 659,596</u>

Long-term Debt

As of June 30, 2024, the School had \$203,354 in long-term debt outstanding, consisting of the lease liability. The lease liability is the result of the implementation of new lease accounting under GASB 87. More detailed information about the School's long-term liabilities is presented in the notes to the financial statements.

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

SIGNIFICANT ACTIVITIES DURING FISCAL YEAR 2023-2024 ARE NOTED BELOW:

- The School's enrollment was 257 students.

ECONOMIC FACTORS

The economic position of the school for general operating is closely tied to that of the State. The formula for determining funding for education is set by Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue allocations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the School's administrative offices at 42630 State Road 19, Altoona, Florida 32702.

**ALTOONA SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 599,780
Due from other agencies	196
Prepaid expense	9,350
Capital assets, net	663,023
Right-to-use lease assets, net	234,109
Total Assets	\$ 1,506,458
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$ 188,512
Due within one year - lease	71,687
Due in more than one year - lease	131,667
Total Liabilities	391,866
<u>NET POSITION</u>	
Net investment in right-to-use lease assets and capital assets	693,778
Restricted for capital projects	127,476
Unrestricted	293,338
Total Net Position	\$ 1,114,592

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

**ALTOONA SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	\$ 1,468,184	\$ -	\$ 136,940	\$ -	\$ (1,331,244)
Student Support Services	147,560	-	-	-	(147,560)
Instructional Media Services	9,879	-	-	-	(9,879)
Instruction and Curriculum development Services	63	-	-	-	(63)
Instructional Staff Training	9,419	-	-	-	(9,419)
Instructional-Related Technology	3,884	-	-	-	(3,884)
Board	19,846	-	-	-	(19,846)
General Administration	96,347	-	-	-	(96,347)
School Administration	274,015	-	-	-	(274,015)
Facilities Acquisition & Construction	57,181	-	-	176,233	119,052
Fiscal Services	100,327	-	-	-	(100,327)
Food Services	246,131	-	-	-	(246,131)
Central Services	15,779	-	-	-	(15,779)
Transportation	43,609	-	-	-	(43,609)
Operation of Plant	522,888	-	-	-	(522,888)
Maintenance of Plant	9,530	-	-	-	(9,530)
Administrative Technology	9,745	-	-	-	(9,745)
Community Services	3	-	-	-	(3)
Debt Service	7,183	-	-	-	(7,183)
Total Governmental Activities	<u>\$ 3,041,573</u>	<u>\$ -</u>	<u>\$ 136,940</u>	<u>\$ 176,233</u>	<u>(2,728,400)</u>

General revenues:

State aid not restricted to specific purposes	2,262,214
In-kind revenue	215,833
Miscellaneous	55,750
Total General Revenues	<u>2,533,797</u>
Change in Net Position	(194,603)
Net Position - Beginning	<u>1,309,195</u>
Net Position - Ending	<u>\$ 1,114,592</u>

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

ALTOONA SCHOOL, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 456,284	\$ 135,699	\$ 7,797	\$ 599,780
Due from other funds	-	-	-	-
Due from other agencies	63	-	133	196
Prepaid expenses	8,429	920	-	9,349
Total Assets	<u>\$ 464,776</u>	<u>\$ 136,619</u>	<u>\$ 7,930</u>	<u>\$ 609,325</u>
Liabilities and Fund Balances				
Current Liabilities				
Accounts payable and accrued expenses	\$ 160,815	\$ 9,143	\$ 18,554	\$ 188,512
Due to other funds	-	-	-	-
Total Liabilities	<u>160,815</u>	<u>9,143</u>	<u>18,554</u>	<u>188,512</u>
Fund Balances				
Nonspendable	8,429	920	-	9,349
Restricted for capital outlay	-	126,556	-	126,556
Restricted for food service	-	-	-	-
Unassigned	295,532	-	(10,624)	284,908
Total Fund Balances	<u>303,961</u>	<u>127,476</u>	<u>(10,624)</u>	<u>420,813</u>
Total Liabilities and Fund Balances	<u>\$ 464,776</u>	<u>\$ 136,619</u>	<u>\$ 7,930</u>	<u>\$ 609,325</u>

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

ALTOONA SCHOOL, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds		\$ 420,813
Amounts reported for Governmental Activities in the Statement of Net Position are Different Because:		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.		
Lease Liability		(203,354)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	1,448,548	
Accumulated depreciation	(785,524)	
Cost of right-to-use lease assets	361,988	
Accumulated amortization	<u>(127,879)</u>	897,133
Total Net Position - Governmental Activities		<u><u>\$ 1,114,592</u></u>

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

ALTOONA SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Federal sources passed through local school district	\$ 145	\$ -	\$ 136,795	\$ 136,940
State and local sources	2,267,601	176,233	-	2,443,834
Contribution and other revenue	48,880	-	215,833	264,713
Total Revenues	<u>2,316,626</u>	<u>176,233</u>	<u>352,628</u>	<u>2,845,487</u>
Expenditures				
Instruction	1,336,682	-	128,565	1,465,247
Student support services	141,116	-	6,444	147,560
Instructional media services	9,879	-	-	9,879
Instruction and curriculum development services	65	-	-	65
Instructional staff training	9,419	-	-	9,419
Instruction-related technology	2,339	-	1,545	3,884
Board	19,846	-	-	19,846
General administration	96,347	-	-	96,347
School administration	272,078	-	90	272,168
Facilities acquisition & construction	8,476	154,083	-	162,559
Fiscal services	100,327	-	-	100,327
Food services	14,449	-	229,938	244,387
Central services	15,629	-	150	15,779
Transportation	43,609	-	-	43,609
Operation of plant	446,709	-	-	446,709
Maintenance of plant	8,694	-	-	8,694
Administrative technology	9,747	-	-	9,747
Community service	3	-	-	3
Debt service	-	73,745	-	73,745
Interest	-	7,133	-	7,133
Total expenditures	<u>2,535,414</u>	<u>234,961</u>	<u>366,732</u>	<u>3,137,107</u>
Excess of Revenues (expenditures) Over (Under)				
Expenditures (revenues)	<u>(218,788)</u>	<u>(58,728)</u>	<u>(14,104)</u>	<u>(291,620)</u>
Other Financing Sources (Uses)				
Lease financing	-	116,228	-	116,228
Transfers In	98,780	-	-	98,780
Transfers Out	-	(93,198)	(5,582)	(98,780)
Total Other Financing Sources (Uses)	<u>98,780</u>	<u>23,030</u>	<u>(5,582)</u>	<u>116,228</u>
Net Changes in Fund Balances	<u>(120,008)</u>	<u>(35,698)</u>	<u>(19,686)</u>	<u>(175,392)</u>
Fund Balances, Beginning of year	423,969	163,174	9,062	596,205
Fund Balances, Ending of year	<u>\$ 303,961</u>	<u>\$ 127,476</u>	<u>\$ (10,624)</u>	<u>\$ 420,813</u>

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

ALTOONA SCHOOL, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds \$ (175,392)

Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities.

Capital outlays	81,906	
Proceed from sale of asset	-	
Gain (loss) on disposal of asset	(875)	
Depreciation and amortization	<u>(173,937)</u>	(92,906)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Redemption of principal	22,671	
Redemption of principal - lease liability	<u>51,024</u>	73,695

Change in Net Position of Governmental Activities \$ (194,603)

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

ALTOONA SCHOOL, INC.
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 7,815
Total assets	\$ 7,815
 Net Position	
Restricted for:	
Student activities	\$ 7,815
Total net position	\$ 7,815

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

ALTOONA SCHOOL, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund
Additions	
Collections for student activities	\$ 19,937
Total additions	19,937
 Deductions	
Payments for student activities	14,955
Total deductions	14,955
Change in net position	4,982
Net position, beginning of year	2,833
Net position, end of year	\$ 7,815

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

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:**

(a) **Financial reporting entity**—The Altoona School, Inc. (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 not-for-profit corporation Board of Directors, which is composed of six members.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School consists of all funds, departments, boards, and agencies that are not legally separate from the School. For Altoona School, Inc., this includes general operations and student related activities of the School.

(b) **Component units**—Component units are legally separate organizations for which the School is financially accountable. Component units may include organizations that are fiscally dependent on the School in that the School approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the School is not financially accountable but the nature and significance of the organization’s relationship with the School is such that exclusion would cause the School’s financial statements to be misleading or incomplete. The School has no component units. However, the School is considered a component unit of the Lake County Public School system.

(c) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, are normally supported by intergovernmental revenues, and other nonexchange transactions.

(d) **Basis of presentation—government wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(e) **Basis of presentation—fund financial statements**—The fund financial statements provide information about the government’s funds. A separate statement for the governmental fund category is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School uses the following major governmental funds:

General fund—The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School for any purpose provided it is expended or transferred according to the general laws of Florida.

Capital projects fund—The capital projects fund is used to account for financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and major maintenance projects.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Basis of presentation—fund financial statements** (Continued)

Special revenue fund—The special revenue fund is used to account for the activities related to grant activities related to the Cares Act, Title I, and Food service funds which are cost reimbursement.

The School uses the following fiduciary fund:

Custodial fund—The School is the custodian, or fiduciary, for assets that belong to others, such as student activities funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because the School cannot use these assets to finance its operations.

During the course of operations the School has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

(f) **Measurement focus and basis of accounting**—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, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues, such as monies received from the Lake County School Board, are reported as general revenues.

All governmental fund financial statements are reported using the current financial resources measurement focus and the 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. 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 60 days of the end of the current fiscal period. 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. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Cash and cash equivalents**—The School’s cash and cash equivalents are considered to be cash on hand and demand deposits.

(h) **Capital assets and depreciation**—Capital assets are defined by the School as assets with an initial individual cost of \$1,000 and an estimated useful life of more than one year. 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 maintenance and repairs that does not add to the value of the asset or materially extend the asset’s life is not capitalized.

Property, plant and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and building improvements	7 - 39 years
Furniture, fixtures and equipment	5 - 10 years
Computer software	3 - 7 years
Motor vehicles	5 years

(i) **Accrued liabilities**—All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

(j) **Net position flow assumption**—Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(k) **Fund balance flow assumptions**—restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(l) **Revenues**—Amounts reported as program revenues include operating grants and contributions. Items not properly included among program revenues, such as monies received from the Lake County District School Board, are reported as general revenues.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Fund balance policies**—The School classifies governmental fund balances in various categories based on the nature of limitations requiring the use of resources for specific purposes as follows:

Non-spendable—amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted—amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed—amounts that are constrained for specific purposes, are internally imposed by the School’s governing Board, and do not lapse at year-end.

Assigned—amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance minimums may be assigned by management.

Unassigned—all other spendable amounts.

(n) **Use of estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(o) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major function at year end.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

(p) **Income taxes**—The School is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. The School files income tax returns in the U.S. Federal jurisdiction. The School’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination. The School has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the School.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(q) **Leases**—The School leases a building and portables. The School determines if an arrangement is a lease at inception. The School recognize intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the School’s right to use an underlying asset for the lease term and lease liabilities represent the School’s obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months.

Discount Rate – Unless explicitly stated in the lease agreement, known by the School, or the School is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be the School’s estimated borrowing rate at the time of lease inception. The School used a discount rate of 5%.

(r) **Subsequent events**—Subsequent events have been evaluated through September 26, 2024, which is the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(2) **Cash and Cash Equivalents:**

(a) **Policies and practices**—*Custodial credit risk-deposits*. In the case of deposits, this is the risk that in the event of a bank failure, the School’s deposits may not be returned to it. The School maintains demand deposits with qualified public depository financial institutions.

(b) **Deposits**—At year-end, the carrying amounts of the School’s demand deposits were \$599,780 for governmental activities. The bank balances totaled \$619,021. The bank balances were covered by Federal deposit insurance up to \$250,000 per financial institution.

(3) **Retirement Plan:**

The School has adopted a SIMPLE IRA retirement program (the “Plan”), which covers all full-time employees upon employment. Eligible employees may elect to contribute a portion of their earnings to the Plan. The School makes contributions to the Plan by matching 100% of employee contributions up to 3% of compensation. Employer contributions during fiscal 2024 totaled approximately \$53,000, of which \$37,000 is included in instruction, \$5,000 is included in school administration, and \$11,000 is included in food services in the accompanying financial statements.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(4) Capital Assets:

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>
Governmental Activities				
Capital assets being depreciated				
Buildings and improvements	\$ 1,042,999	\$ 51,611	(12,366)	\$ 1,082,244
Furniture and equipment	125,318	30,295	(9,930)	145,683
Computer software	13,517	-	(1,500)	12,017
Motor vehicles	208,603	-	-	208,603
Total capital assets being depreciated	<u>1,390,437</u>	<u>81,906</u>	<u>(23,796)</u>	<u>1,448,547</u>
Less: Accumulated depreciation and amortization				
Buildings and improvements	(435,294)	(56,113)	12,366	(479,041)
Furniture and equipment	(78,092)	(19,275)	9,930	(87,437)
Computer software	(8,852)	(1,717)	126	(10,443)
Motor vehicles	(208,603)	-	-	(208,603)
Total accumulated depreciation	<u>(730,841)</u>	<u>(77,105)</u>	<u>22,422</u>	<u>(785,524)</u>
Governmental activities				
Capital assets, net	<u>\$ 659,596</u>	<u>\$ 4,801</u>	<u>\$ (1,374)</u>	<u>\$ 663,023</u>

During the year ended June 30, 2024, \$77,105 was charged to depreciation expense as follows:

Instruction	\$ 1,373
School administration	1,422
Facilities acquisition and construction	25,741
Operation of plant	48,177
Maintenance of plant	391
Total	<u>\$ 77,104</u>

(5) 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; injuries to employees; and natural disasters and is provided through purchased commercial insurance. Health and hospitalization insurance coverage is provided to school employees through purchased commercial insurance. Insurance coverage for fiduciary and student accident are provided by commercial insurance. Settled claims resulting from insurance coverage above have not exceeded purchased insurance coverage for the past three fiscal years.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(6) Interfund Balance and Transfers:

Transfers from/to other funds for the year ended June 30, 2024, were as follows:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Reason for Transfer</u>
General Fund	\$ 98,780	Transfer from Capital Projects Fund to aid in operation cost for General Fund for the current year, in the amount of \$93,198. Transfer from Food Services fund to reimburse purchases made out of the general fund for food-related operations, in the amount of \$5,582.

(7) Leases:

The School leases facilities under an agreement that ends in June 2025. The School also leases four portable classroom buildings under lease agreements through May and December 2028. The discount rate used for these leases is 5%.

Right-to-use lease assets as of June 30, 2024 were as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>
Governmental Activities				
Right-to-use lease assets	\$ 361,653	\$ 116,228	\$ (115,893)	\$ 361,988
Less: Accumulated amortization	(147,439)	(59,158)	78,718	(127,879)
Governmental activities				
Right-to-use lease assets, net	\$ 214,214	\$ 57,070	\$ (37,175)	\$ 234,109

The amortization expense for right-to-use leased assets was \$96,333 for the year ended June 30, 2024.

Lease liability activity for the year ended June 30, 2024 was as follows:

<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>
\$ 160,820	\$ 116,228	\$ (73,694)	\$ 203,354

The principal and interest requirements to maturity for the lease liability as of June 30, 2024 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 71,687	\$ 11,194	\$ 82,881
2026	37,295	8,651	45,946
2027	40,067	5,878	45,945
2028	41,734	2,887	44,621
2029	12,571	365	12,936
Total future minimum lease payments	<u>\$ 203,354</u>	<u>\$ 28,975</u>	<u>\$ 232,329</u>

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(8) **In-Kind Services:**

The School receives in-kind food services support. The amount recorded is the fair market value of the services and total \$215,833 for the year ended June 30, 2024.

(9) **Line of Credit:**

The School has a \$100,000 line of credit with a bank that matures December 31, 2024. Interest rate is variable and based on the Wall Street Journal Prime Rate. As of June 30, 2024, the balance on the line of credit was \$0.

REQUIRED SUPPLEMENTARY INFORMATION

ALTOONA SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
				<u>Final</u> <u>to Actual</u>
Revenues				
State and local sources	\$ 2,079,659	\$ 2,267,601	\$ 2,267,601	\$ -
Federal sources passed through local school district	-	145	145	-
Charges for services	-	-	-	-
Contribution and other revenue	94,746	48,880	48,880	-
Total Revenues	<u>2,174,405</u>	<u>2,316,626</u>	<u>2,316,626</u>	<u>-</u>
Expenditures				
Instruction	1,364,568	1,336,682	1,336,682	-
Student support services	114,460	141,116	141,116	-
Instructional media services	350	9,879	9,879	-
development services	-	65	65	-
Instructional staff training	-	9,419	9,419	-
Instruction-related technology	2,250	2,339	2,339	-
Board	17,275	19,846	19,846	-
General administration	97,362	96,347	96,347	-
School administration	194,353	272,078	272,078	-
Facilities acquisition & construction	-	8,476.00	8,476	-
Fiscal services	74,693	100,327	100,327	-
Food services	2,970	14,449	14,449	-
Central services	3,500	15,629	15,629	-
Transportation	69,334	43,609	43,609	-
Operation of plant	302,921	446,709	446,709	-
Maintenance of plant	700	8,694	8,694	-
Administrative technology	3,149	9,747	9,747	-
Community service	-	3	3	-
Total Expenditures	<u>2,247,885</u>	<u>2,535,414</u>	<u>2,535,414</u>	<u>-</u>
Excess of Revenues Over				
Expenditures	<u>(73,480)</u>	<u>(218,788)</u>	<u>(218,788)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	98,780	98,780	-
Total Other Financing Sources (Uses)	-	98,780	98,780	-
Net Change in Fund Balance	<u>(73,480)</u>	<u>(120,008)</u>	<u>(120,008)</u>	<u>-</u>
Fund balance, Beginning of year	423,969	423,969	423,969	-
Fund balance, Ending of year	<u>\$ 350,489</u>	<u>\$ 303,961</u>	<u>\$ 303,961</u>	<u>\$ -</u>

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

ALTOONA SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u> <u>Final</u> <u>to Actual</u>
Revenues				
Federal sources passed through local school district	\$ 156,300	\$ 136,795	\$ 136,795	-
Contribution and other revenue	-	215,833	215,833	-
Total Revenues	<u>156,300</u>	<u>352,628</u>	<u>352,628</u>	<u>-</u>
Expenditures				
Instruction	116,301	128,565	128,565	-
Student Support Services	33,054	6,444	6,444	-
Instructional Staff Training	4,800	-	-	-
Instruction-related technology	-	1,545	1,545	-
School Administration	2,145	90	90	-
Food services	-	229,938	229,938	-
Central Services	-	150	150	-
Total Expenditures	<u>156,300</u>	<u>366,732</u>	<u>366,732</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(14,104)</u>	<u>(14,104)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>(5,582)</u>	<u>(5,582)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,582)</u>	<u>(5,582)</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>(19,686)</u>	<u>(19,686)</u>	<u>-</u>
Fund balance, Beginning of year	9,062	9,062	9,062	-
Fund balance, Ending of year	<u>\$ 9,062</u>	<u>\$ (10,624)</u>	<u>\$ (10,624)</u>	<u>\$ -</u>

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

ALTOONA SCHOOL, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

(1) **Summary of Significant Accounting Policies:**

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual are presented using the School’s budget format for the General Fund and Special Revenue Fund.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors (the “Board”). The budget presented for fiscal year ended June 30, 2024, has been amended.

Budgets are presented on the modified accrual basis of accounting.

**INDEPENDENT AUDITORS' 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,
Altoona School, Inc.:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Altoona School, Inc. as of and for the year ended June 30, 2024, and related notes to the financial statements, which collectively comprise Altoona School, Inc.'s basic financial statements and have issued our report thereon dated September 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Altoona School, Inc.'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 Altoona School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Altoona School, Inc.'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.

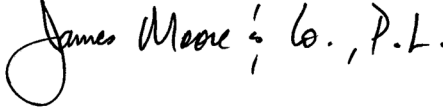
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Altoona School, Inc.'s financial statements are free of 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 did not disclose 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 black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
September 26, 2024

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS
REQUIRED BY CHAPTER 10.850, RULES OF THE STATE OF FLORIDA,
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Altoona School, Inc.:

Report on the Financial Statements

We have audited the financial statements of the Altoona School, Inc. (“School”), as of and for the year ended June 30, 2024, and have issued our report thereon dated September 26, 2024.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 26, 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. There were no recommendations made in the preceding annual financial report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Altoona School, Inc. and 9028.

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 identification of 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 the 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

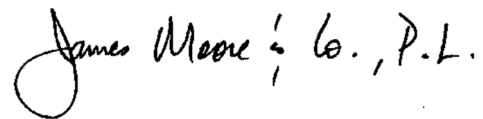
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School 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, no such items noted.

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, Lake County District School Board, 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.

James Moore & Co., P.L.

Tallahassee, Florida
September 26, 2024



September 26, 2024

Altoona School, Inc.
42630 State Road 19
Altoona, Florida 32702

We have audited the financial statements of Altoona School, Inc. (“Altoona School”) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 26, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 20, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Altoona School solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

In order to eliminate threats to independence related to nonattest services that we provide you, we have instituted a quality control review over all nonattest work. Also, in the engagement letter, we identified a person within your organization with the skills, knowledge and expertise to review our nonattest work on your behalf.

Significant Risks Identified

We have identified the following significant risks as part of the planned scope of the audit, as required by Statement on Auditing Standards 134:

- Override of internal controls by management. Our responses to the significant risk included incorporating an element of unpredictability in designing audit procedures, obtaining an understanding of the process and related controls over journal entries and other adjustments, testing journal entries and other adjustments, reviewing significant accounting estimates for evidence of management bias, and obtaining an understanding of management's rationale for significant and unusual transactions.
- Management improperly recognizing revenue due to fraud. Our responses to the significant risk included substantively testing of revenues through third-party confirmations and performing predictive tests over revenue.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Altoona School is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

Management's estimate of the depreciation expense is based on the underlying assets depreciation calculated using the straight-line method over the assets' useful lives. We evaluated the key factors and assumptions used to develop the estimate of depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Altoona School's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 26, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

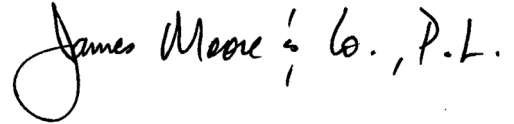
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Altoona School, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Altoona School's auditors.

During our audit, we noted that there is not formal documentation of approval or review for journal entries made by management. To increase the effectiveness of the internal control environment surrounding journal entries, we recommend that management begin documenting evidence of approval or review of journal entries.

This report is intended solely for the information and use of the Board of Directors and management of Altoona School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, circular initial "J" at the beginning.

JAMES MOORE & CO., P.L.

9/26/2024

James Moore & Co., P.L.
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Altoona School, Inc. as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Altoona School, Inc. in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 20, 2024 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With respect to the required supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.
- With respect to preparation of the financial statements and tax return, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the services performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of Altoona School, Inc. or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have *no knowledge of any* fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have *no knowledge of any* allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We *no knowledge* of noncompliance or suspected noncompliance with provisions of law, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not


changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Altoona School, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Altoona School, Inc. is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Altoona School, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Beth Nelson (Sep 26, 2024 16:59 EDT)

Beth Nelson



Elizabeth Holcomb (Sep 26, 2024 15:12 EDT)

Elizabeth Holcomb










ALG-CL-3

Final Audit Report

2024-09-26

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By:	Elizabeth Holcomb (Elizabeth.Holcomb@Samecorp.com)
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-  Email viewed by Elizabeth Holcomb (Elizabeth.Holcomb@Samecorp.com)
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-  Signer basm73@aol.com entered name at signing as Beth Nelson
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-  Document e-signed by Beth Nelson (basm73@aol.com)
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