

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2025



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>Page</u>
Management's Discussion and Analysis	1 – 6
Independent Auditor's Report	7 – 9
Basic Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16 – 26
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	27
Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 – 29
Additional Information Required by Rules of the Florida Auditor General, Chapter 10.850, <i>Audits of Charter Schools and Similar Entities:</i>	
Management Letter	30 – 32

ALEE ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Alee Academy, Inc. (the "School") offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- ❖ For the fiscal year ended June 30, 2025, the School's revenues exceeded expenditures by approximately \$42,000.
- ❖ The School's total fund balance at June 30, 2025 was approximately \$675,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of School. This document also includes the Report of Independent Auditor 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are those services that the School charges for that are not directly related to the School's mission. For the year ended June 30, 2025, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out and what monies are left at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. Budgetary comparison schedules have been included as part of the required supplementary information. The budgetary comparison schedules shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

Net Position

The School's combined net position as of June 30, 2025 and 2024 is summarized as follows:

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Current and other assets	\$ 594,530	\$ 570,215	24,315
Capital assets, net	<u>1,228,373</u>	<u>1,275,213</u>	<u>(46,840)</u>
Total assets	<u>1,822,903</u>	<u>1,845,428</u>	<u>(22,525)</u>
Current and other liabilities	39,901	55,054	(15,153)
Long-term liabilities	<u>69,996</u>	<u>89,999</u>	<u>(20,003)</u>
Total liabilities	<u>106,867</u>	<u>145,053</u>	<u>(38,186)</u>
Net position:			
Net investment in capital assets	1,228,373	1,185,214	43,159
Restricted for capital projects	170,531	86,216	84,315
Unrestricted	<u>317,102</u>	<u>428,945</u>	<u>(111,843)</u>
Total Fund balance	\$ <u>1,716,006</u>	\$ <u>1,700,375</u>	\$ <u>15,628</u>

Current and other assets increased due to increases in cash and accounts receivable at year end. Current and other liabilities decreased due to timing of payments. The increase in fund balance is a result of current year operations.

Change in Net Position

The School's total revenues exceeded total expenses by approximately \$16,000 in fiscal 2025— see table below.

Revenues:	2025	2024	Variance
Federal sources passed through local school district	\$ 267,912	\$ 495,039	\$ (227,127)
State and local sources	1,466,345	1,574,990	(108,645)
Contributions and other revenues	220,369	57,745	162,624
Total revenues	1,954,626	2,127,774	(173,148)
Expenses:			
Instruction	697,585	664,238	33,347
Pupil personnel services	100,355	160,734	(60,379)
Instructional staff training	11,608	7,087	4,521
Instructional staff training	1,484	-	1,484
Board	37,541	47,484	(9,943)
General administration	71,136	68,111	3,025
School administration	280,957	307,008	(26,051)
Facilities acquisition and construction	54,755	50,300	4,455
Fiscal services	59,301	64,791	(5,490)
Food services	87,763	-	87,763
Central services	4,887	-	4,887
Student transportation services	115,079	100,837	14,242
Operation and maintenance of plant	339,058	264,225	74,833
Administrative technology services	70,518	62,064	8,454
Interest	6,971	5,410	1,561
Total expenditures	1,938,998	1,802,289	136,709
Change in fund balances	\$ 15,628	\$ 325,485	\$ (309,857)

The change in state and local revenue is due to a decrease in Florida Education Finance Program base funding. Federal funding in ESSER revenue decreased in the current year. Change in instruction and pupil personnel services is due to increased salaries and related benefits. Food services, transportation and operation of plant increased in the current year. Remaining expenses stayed fairly consistent with the prior year.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The focus of School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing School's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of \$557,629 which was an increase from the prior year as a result of current year operations.

General Fund Budgetary Highlights

Generally, budget amendments fall into one of the three categories: 1) amendments made to adjust the estimates used to prepare the original budget once exact information is available, 2) amendments made to recognize changes in funding amounts, and 3) changes in appropriations that become necessary to maintain services.

For the year ended June 30, 2025 budgeted revenues exceeded actual amounts by approximately \$40,000. Budgeted expenditures were approximately \$84,000 greater than actual amounts, exclusive of other financing sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of end of fiscal 2025, the School had invested approximately \$1.2 million in capital assets, net of accumulated depreciation of approximately \$1.6 million.

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Land	\$ 305,395	\$ 305,395	\$ -
Buildings and improvements	1,759,759	1,747,902	11,857
Land Improvements	61,366	59,216	2,150
Furniture, fixtures, and equipment	315,448	303,061	12,387
Motor vehicles	429,410	429,410	-
Accumulated depreciation	<u>(1,643,005)</u>	<u>(1,569,771)</u>	<u>(73,234)</u>
Total capital assets	<u>\$ 1,228,373</u>	<u>\$ 1,275,213</u>	<u>\$ (46,840)</u>

This year's major capital asset additions included the following:

- Building improvements \$ 14,007
- Furniture and related equipment \$12,387

More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

Long-Term Liabilities

Long-term liabilities decreased by approximately \$20,000 due to the current year principal payments. More detailed information about the School's long-term liabilities is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ended June 30, 2026

Amounts available for appropriation in the general fund for fiscal 2026 are approximately \$1.5 million, which is consistent with the actual 2025 amount.

Budgeted expenditures are expected to be approximately \$1.5 million, consistent with the 2025 actual amounts. If these estimates are realized, the School's general fund balance is expected to remain consistent in fiscal year 2026.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 1705 East County Road 44A, Eustis, Florida 32726



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Alee Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Lake County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alee Academy, Inc., (the "School"), a Charter School and Component Unit of the District School Board of Lake County, Florida as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 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 Alee Academy, Inc., as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 October 29, 2025, on our consideration of the 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 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.

McCrary & Associates, PLLC

Altamonte Springs, Florida
October 29, 2025

107 Water Oak Lane ■ Altamonte Springs, FL 32714
Office 407-960-4429 ■ www.mccraryandassociates.com

Members of American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 481,240
Due from other agencies	111,648
Deposits	
Prepaid expenses	1,642
Capital assets:	
Capital assets	2,871,378
Less accumulated depreciation	<u>(1,643,005)</u>
Total capital assets, net	1,228,373
 Total assets	 <u><u>\$ 1,822,903</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 28,836
Payroll deductions and withholdings	8,065
Long-term debt:	
Portion due or payable within one year:	
Note payable	69,996
Portion due or payable after one year:	
Note payable	<u>-</u>
 Total liabilities	 <u>106,897</u>
NET POSITION	
Invested in capital assets	1,228,373
Restricted for Capital Projects	170,531
Unrestricted	<u>317,102</u>
 Total net position	 <u><u>\$ 1,716,006</u></u>

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

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

Statement of Activities

For the Year Ended June 30, 2025

	Program Specific Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 697,585	\$ -	\$ 125,120	\$ -	\$ (572,465)	\$ (572,465)
Student personnel services	100,355	-	55,189	-	(45,166)	(45,166)
Instructional staff training	11,608	-	5,416	-	(6,192)	(6,192)
Instructional technology	1,484	-	1,484	-	-	-
Board	37,541	-	-	-	(37,541)	(37,541)
General administration	71,136	-	6,250	-	(64,886)	(64,886)
School administration	280,957	-	31,748	-	(249,209)	(249,209)
Facilities acquisition and construction	54,755	-	-	105,649	50,894	50,894
Fiscal services	59,301	-	-	-	(59,301)	(59,301)
Food services	87,763	-	57,781	-	(29,982)	(29,982)
Central services	4,887	-	-	-	(4,887)	(4,887)
Pupil transportation services	115,079	-	-	-	(115,079)	(115,079)
Operation of plant	320,171	-	-	520	(319,651)	(319,651)
Maintenance of plant	18,887	-	-	-	(18,887)	(18,887)
Administrative technology services	70,518	-	12,388	6,857	(51,273)	(51,273)
Interest	6,971	-	-	-	(6,971)	(6,971)
Total primary government	\$ 1,938,998	\$ -	\$ 295,376	\$ 113,026	\$ (1,530,596)	\$ (1,530,596)
General revenues:						
State and local sources					\$ 1,325,855	\$ 1,325,855
Contributions and other revenues					220,369	220,369
Total general revenues					1,546,224	1,546,224
Changes in net position					15,628	15,628
Net position at beginning of year					1,700,378	1,700,378
Net position at end of year					\$ 1,716,006	\$ 1,716,006

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

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

Balance Sheet - Governmental Funds

June 30, 2025

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 310,709	\$ 170,531	\$ -	\$ 481,240
Due from other agencies	58,964	-	52,684	111,648
Prepaid expenses	1,642	-	-	1,642
Due from other funds	80,148	-	-	80,148
	\$ 451,463	\$ 170,531	\$ 52,684	\$ 674,678
LIABILITIES				
Accounts payable and accrued expenses	\$ 28,836	\$ -	\$ -	\$ 28,836
Payroll deductions and withholdings	8,065	-	-	8,065
Due to other agencies	-	-	-	-
Due to other funds	-	-	80,148	80,148
	36,901	-	80,148	117,049
FUND BALANCE				
Nonspendable:				
Prepaid expense	1,642	-	-	1,642
Spendable:				
Unassigned	-	170,531	-	170,531
Unreserved, Undesignated	412,920	-	(27,464)	385,456
	414,562	170,531	(27,464)	557,629
Total fund balances	414,562	170,531	(27,464)	557,629
Total liabilities and fund balances	\$ 451,463	\$ 170,531	\$ 52,684	\$ 674,678

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

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position**

June 30, 2025

Total fund balances - governmental funds \$ 557,629

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Cost of capital assets	\$ 2,871,378	
Accumulated depreciation	(1,643,005)	1,228,373

Long-term liabilities, including lease payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities related to lease obligations at year-end consist of:

Note payable	<u>(69,996)</u>
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Total net position - governmental activities \$ 1,716,006

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

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds**

For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
REVENUES				
Federal sources passed through local school district	\$ -	\$ -	\$ 267,912	\$ 267,912
State and local sources	1,360,696	105,649	-	1,466,345
Contributions and other revenues	178,746	41,623	-	220,369
Total revenues	<u>1,539,442</u>	<u>147,272</u>	<u>267,912</u>	<u>1,954,626</u>
EXPENDITURES				
Current:				
Instruction	561,288	-	125,120	686,408
Student personnel services	45,166	-	55,189	100,355
Instructional staff training	6,192	-	5,416	11,608
Instructional technology	-	-	1,484	1,484
Board	37,541	-	-	37,541
General administration	64,886	-	6,250	71,136
School administration	248,779	-	31,748	280,527
Facilities acquisition and construction	2,150	-	-	2,150
Fiscal services	59,301	-	-	59,301
Food services	37,973	-	57,781	95,754
Central services	4,887	-	-	4,887
Pupil transportation services	115,079	-	-	115,079
Operation of plant	329,033	520	-	329,553
Maintenance of plant	18,887	-	-	18,887
Administrative technology services	51,273	6,857	12,388	70,518
Debt service	-	26,973	-	26,973
Total expenditures	<u>1,582,435</u>	<u>34,350</u>	<u>295,376</u>	<u>1,912,161</u>
Excess (deficiency) of revenues over expenditures	<u>(42,993)</u>	<u>112,922</u>	<u>(27,464)</u>	<u>42,465</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in	28,607	-	-	28,607
Operating transfer out	-	(28,607)	-	(28,607)
Total other financing sources	<u>28,607</u>	<u>(28,607)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(14,386)	84,315	(27,464)	42,465
Fund balance at beginning of year	428,948	86,216	-	515,164
Fund balances at end of year	<u>\$ 414,562</u>	<u>\$ 170,531</u>	<u>\$ (27,464)</u>	<u>\$ 557,629</u>

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

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2025

Net changes in fund balances - total governmental funds \$ 42,465

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 26,394	
Depreciation expense	(73,234)	(46,840)

Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position:

Capital lease payments		20,003
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Change in net position of governmental activities \$ 15,628

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

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements

For the Year Ended June 30, 2025

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alee Academy, 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.

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, the District School Board of Lake County, Florida (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed thereafter by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board 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 School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the “Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book” issued by the Florida Department of Education (“FDOE”).

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School’s financial position, its assets and its liabilities, using an economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School’s governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program and grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School’s most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are individual governmental funds reported in the fund financial statements:

- General Fund – the School’s primary operating fund that accounts for all financial resources of the school, except those that are required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Notes to Financial Statements
(continued)**

- Debt Service Fund – to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

For the purpose of these statements, the general, capital projects and special revenue funds are considered major funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions.

As Florida Statutes and the School's policy require, all deposits must be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

reporting requirements of the qualified public depositor to the treasurer is defined by the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2025.

Interfund transfers

The School reports its debt service and capital fund expenditures in the other governmental funds. For the year ended June 30, 2025, the capital projects fund transferred approximately \$29,000 to the general fund for current year expenditures.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation.

Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Buildings and improvements	15-39
Land improvements	7-39
Furniture, fixtures, and equipment	5-15
Motor vehicles	5

Information related to the change in capital assets is described in Note 3.

Net Position and Fund Balance Classifications

Government-wide financial statements

The net position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ALEE ACADEMY, INC.
**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

**Notes to Financial Statements
(continued)**

Fund financial statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

This statement also clarifies the definition of the special revenue fund to denote it may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for the non-general fund.

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

Revenue Sources

Revenues for operations are received primarily from the District School Board of Lake County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is calculated on the FEFP revenue up to 250 students, except when 75% or more of the students enrolled are exceptional students as defined in Section 1003.01(3). The 5% is then calculated based on unweighted full-time equivalent students. The School's population is primarily exceptional student and its administrative fee calculation is limited to 5% of its unweighted full-time equivalent students. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2025, the School reported 171.88 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This pronouncement requires liabilities relates to compensated absences recognized for 1) leave that has not been used and 2) leave that has not been used but not yet paid in cash or settled through non- cash means and includes but is not limited to vacation, sick leave, and paid time off (PTO). This statement establishes standards of accounting and financial reporting for compensated absences and other associated salary-related payments such as certain defined contribution pensions. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies. This statement also provides guidance for measuring this liability. A liability for leave that has been used but not yet paid or settled should be measured at the employee's pay rate as of the date of the financial statements or the amount of the cash or non-cash amount settled. This statement also allows governments to disclose only the net change in the liability and are no longer required to disclose which governmental funds typically have been used to liquidate the liability. This statement applies to all financial statements of all state and local governments. The required effective date for this statement is for fiscal years beginning after December 15, 2024, and all reporting periods thereafter. Early application is encouraged. The School has not included a liability for compensated absences in accrued expenses as amounts are not paid out.

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

3 CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Capital assets:							
Furniture, fixtures, and equipment	\$ 303,061	\$	12,387	\$	-	\$	315,448
Land	305,395		-		-		305,395
Building & improvements	<u>1,807,118</u>		<u>14,007</u>		<u>-</u>		<u>1,821,125</u>
Total capital assets	<u>2,844,984</u>		<u>26,394</u>		<u>-</u>		<u>2,871,378</u>
Accumulated depreciation:							
Furniture, fixtures, and equipment	(699,152)		(19,261)		-		(718,413)
Building & improvements	<u>(870,619)</u>		<u>(53,973)</u>		<u>-</u>		<u>(924,592)</u>
Total accumulated depreciation	<u>(1,569,771)</u>		<u>(73,234)</u>		<u>-</u>		<u>1,643,005</u>
Capital assets, net	<u>\$ 1,275,213</u>	\$	<u>(46,840)</u>	\$	<u>-</u>	\$	<u>1,228,373</u>

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

Depreciation expense:

Total governmental activities and depreciation expense	<u>\$ 73,234</u>
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4 LONG-TERM LIABILITIES

Promissory note payable to a financial institution. Principal payments of \$1,667 plus interest at 8.5% are due monthly until its maturity in December 2028. Note is secured by certain of the School's motor vehicles.

Balance outstanding at the beginning of year	\$ 89,999
Additions	-
Reductions	<u>(20,003)</u>
Balance outstanding at the end of year	<u>\$ 69,996</u>

Future debt service requirements related to the long-term liabilities are as follows:

	Principal	Interest	Total
Year ended June 30:			
2026	\$ 20,002	\$ 5,170	\$ 25,172
2027	20,002	3,470	23,472
2028	20,002	1,770	21,772
2029	<u>9,990</u>	<u>247</u>	<u>10,237</u>
Total	<u>69,996</u>	<u>10,657</u>	<u>80,653</u>

Interest expense for fiscal year ending June 30, 2025 totaled approximately \$7,000.

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Lake County, Florida:

Florida Education Finance Program	\$	899,284
Class size reduction		153,528
Capital outlay		105,649
Discretionary local effort		95,077
Student transportation		71,250
Discretionary mileage compression allocation		37,565
Educational enrichment share		39,460
ESE guaranteed allocation		39,308
Safe schools		16,941
Mental health assistance allocation		10,872
Educational enrollment stabilization		6,752
Proration to funds		(9,341)
Total	\$	1,466,345

The administrative fee paid to the School Board during the year ended June 30, 2025 totaled approximately \$71,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances of governmental funds.

6 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

ALEE ACADEMY, INC.
A Charter School and Component Unit of the
District School Board of Lake County, Florida

Notes to Financial Statements
(continued)

7 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

8 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

9 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through October 29, 2025, which is the date the financial statements were available to be issued.

ALEE ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Lake County, Florida**

Required Supplementary Information

Budget Comparison Schedule - General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 1,354,894	\$ 1,354,894	\$ 1,360,696	\$ 5,802
Contributions and other revenue	161,270	371,270	178,746	(192,524)
Total revenues	1,516,164	1,726,164	1,539,442	(186,722)
EXPENDITURES				
Current:				
Instruction	575,276	588,276	561,288	(26,988)
Student personnel services	145,732	185,732	45,166	(140,566)
Instructional staff training	-	-	6,192	6,192
Instructional Technology	-	-	-	-
Board	13,749	13,749	37,541	23,792
General administration	63,067	69,567	64,886	(4,681)
School administration	473,141	543,141	248,779	(294,362)
Facilities acquisition and construction	10,273	5,273	2,150	(3,123)
Fiscal Services	56,253	68,253	59,301	(8,952)
Food Services	1,977	1,977	37,973	35,996
Central Services	16,928	6,928	4,887	(2,041)
Operation of plant	111,693	128,693	329,033	200,340
Maintenance of plant	38	3,038	18,887	15,849
Administrative Technology Services	36,679	28,679	51,273	22,594
Total expenditures	1,504,806	1,643,306	1,582,435	(60,871)
Excess of expenditures over revenues	11,358	82,858	(42,993)	(125,851)
Fund balances, beginning of year	428,948	428,948	428,948	-
Fund balances, end of year	<u>\$ 440,306</u>	<u>\$ 511,806</u>	<u>\$ 414,562</u>	<u>\$ 125,851</u>

See report of independent auditor's.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**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 of Alee Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Lake County, 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 aggregate remaining fund information of Alee Academy, Inc., (the "School"), a charter school and component unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 29, 2025.

Report on Internal Control Over Financial Reporting

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
October 29, 2025

107 Water Oak Lane ■ Altamonte Springs, FL 32714
Office 407-960-4429 ■ www.mccradyandassociates.com

**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Alee Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Lake County, Florida

Report on the Financial Statements

We have audited the financial statements of Alee Academy, Inc. (the "School") as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 29, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if applicable, which is dated, October 29, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Alee Academy, Inc. The School code is 0177.

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 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 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

McCrary & Associates, PLLC

Altamonte Springs, Florida
October 29, 2025

107 Water Oak Lane ■ Altamonte Springs, FL 32714
Office 407-960-4429 ■ www.mccraryandassociates.com