

ALTOONA SCHOOL, INC.
**(A COMPONENT UNIT OF LAKE COUNTY
DISTRICT SCHOOL BOARD)**
FINANCIAL STATEMENTS
JUNE 30, 2025

ALTOONA SCHOOL, INC.
TABLE OF CONTENTS
JUNE 30, 2025

	Page(s)
Independent Auditors’ Report	1 – 3
Management’s Discussion and Analysis	4 – 9
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
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 – Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government- Wide Statement of Activities	15
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements	18 – 25
Required Supplementary Information	26
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budgetary Comparison Schedule	27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Fund - Budgetary Comparison Schedule	28
Statement of Revenues, Expenditures, and Changes in Fund Balance - Notes to Required Supplementary Information	29
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 <i>Government Auditing Standards</i>	30 – 31
Management Letter of Independent Auditors Required by Chapter 10.850, Rules of the Auditor General	32 – 33



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, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the 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, 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 (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 and GAS 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 and GAS, 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.

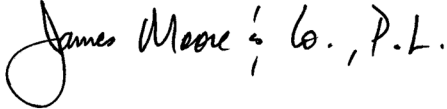
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

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 October 10, 2025, 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
October 10, 2025

ALTOONA SCHOOL, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025

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, 2025. 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 increased by approximately \$18 thousand.
- Total general fund revenues exceeded expenses by approximately \$4 thousand (not including transfers).
- Capital assets, net of depreciation, decreased approximately by \$55 thousand.
- The School’s governmental funds reported combined ending fund balance of approximately \$500 thousand.

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(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, 2025
(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, 2025. 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	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 669,901	\$ 609,326
Capital and right-to-use assets, net	<u>761,522</u>	<u>897,132</u>
Total assets	<u>1,431,423</u>	<u>1,506,458</u>
Current and other liabilities	202,328	260,199
Long-term liabilities	<u>96,458</u>	<u>131,667</u>
Total liabilities	<u>298,786</u>	<u>391,866</u>
Net position:		
Net investment in capital assets	627,769	693,778
Restricted	144,046	127,476
Unrestricted	<u>360,822</u>	<u>293,338</u>
Total net position	<u><u>\$ 1,132,637</u></u>	<u><u>\$ 1,114,592</u></u>

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, 2025
(Continued)

Changes in Net Position (Continued)

Table 2

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Revenues		
Federal sources passed through local school district	\$ -	\$ 136,940
State and local sources	2,739,567	2,438,447
Contribution and other revenue	1,471	55,750
In-kind revenue	<u>225,791</u>	<u>215,833</u>
Total Revenues	<u>2,966,829</u>	<u>2,846,970</u>
Expenses		
Instruction	1,403,238	1,468,184
Student Support Services	125,635	147,560
Instructional Media Services	4,060	9,879
Instruction and Curriculum Development Services	-	63
Instructional Staff Training	2,255	9,419
Instructional-Related Technology	4,662	3,884
Board	28,315	19,846
General Administration	98,727	96,347
School Administration	314,226	274,015
Facilities Acquisition & Construction	56,945	57,181
Fiscal Services	104,833	100,327
Food Services	233,211	246,131
Central Services	16,065	15,779
Transportation	57,825	43,609
Operation of Plant	446,167	522,888
Maintenance of Plant	36,515	9,530
Administrative Technology	3,487	9,745
Community Services	415	3
Debt Service	<u>12,203</u>	<u>7,183</u>
Total expenses	<u>2,948,784</u>	<u>3,041,573</u>
Change in net position	<u>\$ 18,045</u>	<u>\$ (194,603)</u>

ALTOONA SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(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, 2025, the School had \$608,080 in a broad range of capital assets (net of depreciation), including furniture, equipment and building improvements. Right-to-use lease assets total \$153,442 (net of amortization) (Table 3).

Table 3

	Governmental Activities June 30, 2025	Governmental Activities June 30, 2024
Buildings and building improvements	\$ 1,093,759	\$ 1,082,244
Furniture, fixtures and equipment	157,268	145,683
Computer software	12,017	12,017
Motor vehicles	208,603	208,603
Right-to-use lease asset	229,836	361,988
Accumulated depreciation and amortization	(939,961)	(913,403)
Totals	\$ 761,522	\$ 897,132

Long-term Debt

As of June 30, 2025, the School had \$133,753 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, 2025
(Continued)

SIGNIFICANT ACTIVITIES DURING FISCAL YEAR 2024-2025 ARE NOTED BELOW:

- The School's enrollment was 248 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, 2025

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 641,202
Due from other agencies	15,463
Prepays	13,236
Capital and right-to-use lease assets, net	761,522
Total Assets	\$ 1,431,423
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$ 165,033
Due within one year - lease	37,295
Due in more than one year - lease	96,458
Total Liabilities	298,786
<u>NET POSITION</u>	
Net investment in capital and right-to-use lease assets	627,769
Restricted for capital projects	152,372
Unrestricted	352,496
Total Net Position	1,132,637
Total Liabilities and Net Position	\$ 1,431,423

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, 2025**

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	\$ 1,403,238	\$ -	\$ 225,684	\$ -	\$ (1,177,554)
Student Support Services	125,635	-	4,194	-	(121,441)
Instructional Media Services	4,060	-	-	-	(4,060)
Instructional Staff Training	2,255	-	1,965	-	(290)
Instructional-Related Technology	4,662	-	-	-	(4,662)
Board	28,315	-	-	-	(28,315)
General Administration	98,727	-	-	-	(98,727)
School Administration	314,226	-	-	-	(314,226)
Facilities Acquisition & Construction	56,945	-	-	215,213	158,268
Fiscal Services	104,833	-	-	-	(104,833)
Food Services	233,211	-	-	-	(233,211)
Central Services	16,065	-	624	-	(15,441)
Transportation	57,825	-	-	-	(57,825)
Operation of Plant	446,167	-	-	-	(446,167)
Maintenance of Plant	36,515	-	-	-	(36,515)
Administrative Technology	3,487	-	-	-	(3,487)
Community Services	415	-	-	-	(415)
Interest	12,203	-	-	-	(12,203)
Total Governmental Activities	<u>\$ 2,948,784</u>	<u>\$ -</u>	<u>\$ 232,467</u>	<u>\$ 215,213</u>	<u>(2,501,104)</u>

General revenues:	
Lake County District School Board	2,291,887
In-kind revenue	225,791
Miscellaneous	1,471
Total General Revenues	<u>2,519,149</u>
Change in Net Position	18,045
Net Position - Beginning	<u>1,114,592</u>
Net Position - Ending	<u>\$ 1,132,637</u>

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

ALTOONA SCHOOL, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Assets				
Current Assets				
Cash and cash equivalents	\$ 474,237	\$ 166,965	\$ -	\$ 641,202
Due from other funds	23,789	-	-	23,789
Due from other agencies	-	-	15,463	15,463
Prepays	13,236	-	-	13,236
Total Assets	\$ 511,262	\$ 166,965	\$ 15,463	\$ 693,690
Liabilities and Fund Balances				
Accounts payable and accrued expenses	\$ 150,440	\$ 14,593	\$ -	\$ 165,033
Due to other funds	-	-	23,789	23,789
Total Liabilities	150,440	14,593	23,789	188,822
Fund Balances				
Nonspendable	13,236	-	-	13,236
Restricted for capital outlay	-	152,372	-	152,372
Unassigned	347,586	-	(8,326)	339,260
Total Fund Balances	360,822	152,372	(8,326)	504,868
Total Liabilities and Fund Balances	\$ 511,262	\$ 166,965	\$ 15,463	\$ 693,690

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, 2025

Total Fund Balance - Governmental Funds		\$ 504,868
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		(133,753)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	1,471,647	
Accumulated depreciation	(863,567)	
Cost of right-to-use lease assets	229,836	
Accumulated amortization	(76,394)	761,522
Total Net Position - Governmental Activities		\$ 1,132,637

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, 2025

	<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	\$ -	\$ -	\$ 232,467	\$ 232,467
Lake County District School Board	2,270,873	215,213	-	2,486,086
Contribution and other revenue	26,034	-	222,242	248,276
Total Revenues	<u>2,296,907</u>	<u>215,213</u>	<u>454,709</u>	<u>2,966,829</u>
Expenditures				
Instruction	1,175,596	-	225,954	1,401,550
Student support services	121,441	-	4,194	125,635
Instructional media services	4,060	-	-	4,060
Instructional staff training	560	-	1,695	2,255
Instruction-related technology	4,662	-	-	4,662
Board	28,315	-	-	28,315
General administration	98,727	-	-	98,727
School administration	311,714	-	-	311,714
Facilities acquisition & construction	-	11,995	-	11,995
Fiscal services	104,833	-	-	104,833
Food services	4,280	-	219,944	224,224
Central services	15,441	-	624	16,065
Transportation	57,825	-	-	57,825
Operation of plant	358,400	10,052	-	368,452
Maintenance of plant	2,985	33,775	-	36,760
Administrative technology	3,487	-	-	3,487
Community service	415	-	-	415
Debt service				
Principal	-	69,597	-	69,597
Interest	-	12,203	-	12,203
Total expenditures	<u>2,292,741</u>	<u>137,622</u>	<u>452,411</u>	<u>2,882,774</u>
Excess of Revenues (expenditures) Over (Under)				
Expenditures (revenues)	<u>4,166</u>	<u>77,591</u>	<u>2,298</u>	<u>84,055</u>
Other Financing Sources (Uses)				
Transfers In	52,695	-	-	52,695
Transfers Out	-	(52,695)	-	(52,695)
Total Other Financing Sources (Uses)	<u>52,695</u>	<u>(52,695)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>56,861</u>	<u>24,896</u>	<u>2,298</u>	<u>84,055</u>
Fund Balances, Beginning of year	303,961	127,476	(10,624)	420,813
Fund Balances, Ending of year	<u>\$ 360,822</u>	<u>\$ 152,372</u>	<u>\$ (8,326)</u>	<u>\$ 504,868</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, 2025

Total Net Change in Fund Balances - Governmental Funds	\$	84,055
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	23,100	
Depreciation and amortization	(158,707)	(135,607)
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 - lease liability		69,597
The School receives in-kind food service support		
In-kind food service revenue	222,242	
In-kind food service expense	(222,242)	-
Change in Net Position of Governmental Activities	\$	18,045

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

ALTOONA SCHOOL, INC.
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 6,446
Total assets	<u>\$ 6,446</u>
Net Position	
Restricted for:	
Student activities	\$ 6,446
Total net position	<u>\$ 6,446</u>

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, 2025

	Custodial Fund
Additions	
Collections for student activities	\$ 14,502
Total additions	14,502
 Deductions	
Payments for student activities	15,871
Total deductions	15,871
Change in net position	(1,369)
Net position, beginning of year	7,815
Net position, end of year	\$ 6,446

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

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(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, 2025

(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, 2025

(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

Right-to-use lease equipment and subscription assets are amortized over the life of the associated contract.

(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.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

(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.

(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, 2025

(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 October 10, 2025, 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:**

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.

Deposits—At year-end, the carrying amounts of the School’s demand deposits were \$641,202 for governmental activities. The bank balances totaled \$670,159. 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 2025 totaled approximately \$30,000, of which \$25,000 is included in instruction, \$5,000 is included in school administration.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(4) **Capital Assets:**

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2025</u>
Governmental Activities				
Capital assets being depreciated and amortized				
Buildings and improvements	\$ 1,082,244	\$ 11,515	\$ -	\$ 1,093,759
Furniture and equipment	145,683	11,585	-	157,268
Computer software	12,017	-	-	12,017
Motor vehicles	208,603	-	-	208,603
Right-to-use lease asset	361,988	-	(132,152)	229,836
Total capital assets being depreciated and amortized	<u>1,810,535</u>	<u>23,100</u>	<u>(132,152)</u>	<u>1,701,483</u>
Less: Accumulated depreciation and amortization				
Buildings and improvements	(479,041)	(54,693)	-	(533,734)
Furniture and equipment	(87,437)	(21,776)	-	(109,213)
Computer software	(10,443)	(1,574)	-	(12,017)
Motor vehicles	(208,603)	-	-	(208,603)
Right-to-use lease asset	(127,879)	(80,667)	132,152	(76,394)
Total accumulated depreciation and amortization	<u>(913,403)</u>	<u>(158,710)</u>	<u>132,152</u>	<u>(939,961)</u>
Governmental activities				
Capital assets, net	<u>\$ 897,132</u>	<u>\$ (135,610)</u>	<u>\$ -</u>	<u>\$ 761,522</u>

Depreciation and amortization expense was charged to the functions of the governmental activities of the School as follows:

Instruction	\$ 643
School administration	2,663
Facilities acquisition and construction	59,855
Operation of plant	94,662
Maintenance of plant	887
Total	<u>\$ 158,710</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, 2025

(6) **Interfund Balance and Transfers:**

Transfers from/to other funds for the year ended June 30, 2025, were as follows:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Reason for Transfer</u>
General Fund	\$ 52,695	Transfer from Capital Projects Fund to aid in operation cost for General Fund for the current year, in the amount of \$52,695.

(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%.

Lease liability activity for the year ended June 30, 2025 was as follows:

<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due within</u> <u>one year</u>
\$ 203,350	\$ -	\$ (69,597)	\$ 133,753	\$ 37,295

The amortization expense for right-to-use leased assets was \$80,667 for the year ended June 30, 2025.

The principal and interest requirements to maturity for the lease liability as of June 30, 2025 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 37,295	\$ 8,651	\$ 45,946
2027	40,067	5,878	45,945
2028	41,734	2,887	44,621
2029	14,657	365	15,022
2030	-	-	-
	<u>\$ 133,753</u>	<u>\$ 17,781</u>	<u>\$ 151,534</u>

(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 \$222,242 for the year ended June 30, 2025.

(9) **Line of Credit:**

The School has a \$100,000 line of credit with a bank that matures December 31, 2026. Interest rate is variable and based on the Wall Street Journal Prime Rate. As of June 30, 2025, the balance on the line of credit was \$0.

ALTOONA SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(10) Recently Issued Accounting Pronouncements:

The Governmental Accounting Standard Board (GASB) issued GASB Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023. The School implemented GASB No. 101 in fiscal year 2025, however, its adoption did not have a material impact on the School's financial statements.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. GASB Statement No. 102 amends GASB Statement No. 62 regarding the disclosure of a government's vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. The School implemented GASB No. 102 in fiscal year 2025, however, its adoption did not have a material impact on the School's financial statements.

GASB issued Statement No. 103, Financial Reporting Model Improvements, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, Disclosure of Certain Capital Assets, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Over</u>
				<u>(Under)</u>
				<u>Final</u>
				<u>to Actual</u>
Revenues				
Lake County District School Board	\$ 2,119,859	\$ 2,270,873	\$ 2,270,873	\$ -
Contribution and other revenue	160,168	26,034	26,034	-
Total Revenues	<u>2,280,027</u>	<u>2,296,907</u>	<u>2,296,907</u>	<u>-</u>
Expenditures				
Instruction	1,279,087	1,175,596	1,175,596	-
Student support services	121,805	121,441	121,441	-
Instructional media services	540	4,060	4,060	-
development services	-	-	-	-
Instructional staff training	2,200	560	560	-
Instruction-related technology	2,250	4,662	4,662	-
Board	20,125	28,315	28,315	-
General administration	96,130	98,727	98,727	-
School administration	291,146	311,714	311,714	-
Fiscal services	81,438	104,833	104,833	-
Food services	5,470	4,280	4,280	-
Central services	17,718	15,441	15,441	-
Transportation	67,520	57,825	57,825	-
Operation of plant	269,499	358,400	358,400	-
Maintenance of plant	650	2,985	2,985	-
Administrative technology	4,949	3,487	3,487	-
Community service	-	415	415	-
Total Expenditures	<u>2,260,527</u>	<u>2,292,741</u>	<u>2,292,741</u>	<u>-</u>
Excess of Revenues Over				
Expenditures	<u>19,500</u>	<u>4,166</u>	<u>4,166</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	-	52,695	52,695	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>52,695</u>	<u>52,695</u>	<u>-</u>
Net Change in Fund Balance	<u>19,500</u>	<u>56,861</u>	<u>56,861</u>	<u>-</u>
Fund balance, Beginning of year	303,961	303,961	303,961	-
Fund balance, Ending of year	<u>\$ 323,461</u>	<u>\$ 360,822</u>	<u>\$ 360,822</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, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variances -</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final</u> <u>to Actual</u>
Revenues				
Federal sources passed through local school district	\$ 230,191	\$ 232,467	\$ 232,467	\$ -
Contribution and other revenue	-	222,242	222,242	-
Total Revenues	<u>230,191</u>	<u>454,709</u>	<u>454,709</u>	<u>-</u>
Expenditures				
Instruction	230,191	225,954	225,954	-
Student Support Services	-	4,194	4,194	-
Instructional Staff Training	-	1,695	1,695	-
Food services	-	219,944	219,944	-
Central Services	-	624	624	-
Total Expenditures	<u>230,191</u>	<u>452,411</u>	<u>452,411</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,298</u>	<u>2,298</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>2,298</u>	<u>2,298</u>	<u>-</u>
Fund balance, Beginning of year	(10,624)	(10,624)	(10,624)	-
Fund balance, Ending of year	<u>\$ (10,624)</u>	<u>\$ (8,326)</u>	<u>\$ (8,326)</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, 2025

(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, 2025, 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, 2025, and related notes to the financial statements, which collectively comprise Altoona School, Inc.'s basic financial statements and have issued our report thereon dated October 10, 2025.

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.

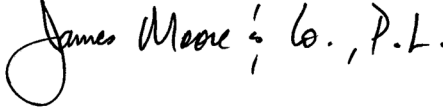
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Altoona School, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Altoona School, Inc.'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
October 10, 2025

**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, 2025, and have issued our report thereon dated October 10, 2025.

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 October 10, 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 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

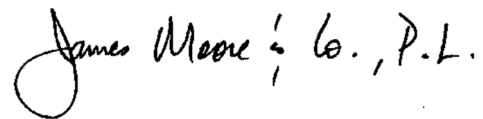
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School 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
October 10, 2025