

**CHOICES IN LEARNING, INC.**  
**BASIC FINANCIAL STATEMENTS**  
**AND**  
**REQUIRED SUPPLEMENTARY**  
**INFORMATION**  
**JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

### *Partners*

W. Ed Moss, Jr.  
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Cori G. Novinich  
Renee C. Varga

To the Board of Directors,  
Choices in Learning, Inc.  
Winter Springs, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Choices in Learning, Inc. (the School), a component unit of the Seminole County District School Board, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 9 and 26 to 28 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 September 16, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 16, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Choices in Learning, Inc. (the "School"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements found on pages 10 - 15.

### FINANCIAL HIGHLIGHTS

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$3,685,048 (net position).
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$4,155,899.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,588,492.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of Choices in Learning, Inc. that are principally supported by school board, state, and federal funding (governmental activities) and charges for services from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Basic instruction, exception instruction, and school administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the Seminole County School Board. The Seminole County School Board includes the operations of the School in their operations.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund financial statements**—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

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

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

The School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances in the General Fund and Capital Fund, both of which are considered to be major funds. The General Fund is not restricted by an outside source and can be used to fund general activities. The Capital Fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital grants. The Capital Fund monies must be spent on certain things set forth in the Florida Statutes, which allow 31 months to spend those monies.

The School adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 16 of this report.

## CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide data about net position and changes in net position as of and for the years ended June 30, 2025 and 2024.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Assets</b>			
Non-capital assets	\$ 4,455,897	\$ 3,725,963	\$ 729,934
Capital assets, net	6,774,574	6,995,797	(221,223)
<b>Total assets</b>	<b>11,230,471</b>	<b>10,721,760</b>	<b>508,711</b>
<b>Deferred outflows of resources</b>			
Deferred loss on bond refunding	474,838	500,181	(25,343)
<b>Liabilities</b>			
Current liabilities	327,244	449,831	(122,587)
Non-current liabilities	7,693,017	7,962,823	(269,806)
<b>Total liabilities</b>	<b>8,020,261</b>	<b>8,412,654</b>	<b>(392,393)</b>
<b>Net position</b>			
Nonspendable	17,182	-	17,182
Net investment in capital assets	(443,605)	(466,845)	23,240
Unrestricted	4,111,471	3,276,132	835,339
<b>Total net position</b>	<b>\$ 3,685,048</b>	<b>\$ 2,809,287</b>	<b>\$ 875,761</b>

Non-capital assets have increased due to a \$508,711 increase in cash and accounts receivable balances as increased enrollment and grant funding have provided additional availability of funds. Current liabilities have decreased due to the timing of pending vendor invoices and accrued payroll. Non-current liabilities have decreased due to payments on outstanding debt.

The School's change in net position was as follows:

<b>Governmental Activities</b>			
	<b>2025</b>	<b>2024</b>	<b>Change</b>
Program revenues			
Capital grants and contributions	\$ 603,519	\$ 462,746	\$ 140,773
Operating grants and contributions	574,185	61,990	512,195
Charges for service	935,205	750,391	184,814
General revenues			
State passed through local school board	5,664,592	5,398,179	266,413
Other revenues	92,315	164,680	(72,365)
Total revenues	<u>7,869,816</u>	<u>6,837,986</u>	<u>1,031,830</u>
Program expenses			
Basic instruction	3,416,310	3,219,049	197,261
Exceptional instruction	409,048	364,626	44,422
Media services	57,825	53,266	4,559
Guidance services	71,754	68,879	2,875
Health services	87,300	39,330	47,970
Curriculum development	46,169	105,883	(59,714)
Staff development	5,284	7,211	(1,927)
Board expenses	37,436	-	37,436
General administration	38,988	38,035	953
School administration	757,093	758,677	(1,584)
Fiscal services	100,404	149,438	(49,034)
Food services	149,627	162,270	(12,643)
Transportation	95,501	98,977	(3,476)
Operation of plant	469,801	466,597	3,204
Maintenance of plant	64,343	122,690	(58,347)
Community services	312,491	220,580	91,911
Other programs and services	120,727	67,474	53,253
Interest on long-term debt	357,593	368,838	(11,245)
Unallocated depreciation	396,361	424,188	(27,827)
Total expenses	<u>6,994,055</u>	<u>6,736,008</u>	<u>258,047</u>
Changes in net position	875,761	101,978	773,783
Net position at July 1, 2024	2,809,287	2,707,309	101,978
Net position at June 30, 2025	<u>\$ 3,685,048</u>	<u>\$ 2,809,287</u>	<u>\$ 875,761</u>

The School's student enrollment increased from 666 full-time equivalent ("FTE") students for fiscal 2024 to 682 for fiscal 2025. The Florida Education Finance Program ("FEFP") revenues increased to match the enrollment increase which is recognized in state passed through local school board. During fiscal 2025, operating grants and contributions increased due to additional ESSER funding over the prior year. Overall, the School's instructional and student support services increased due to increased funding through FEFP which enabled the School to provide additional support to students.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets did exceed liabilities by \$3,685,048 at the close of the most recent fiscal year. The \$875,761 increase in net position is primarily attributed to the School's effort to manage expenses and maintain profits to meet its debt service coverage ratio requirements.

As a result of the current fiscal year operations, the School is reporting an increase of \$835,339 in unrestricted net position. Choices in Learning, Inc. is reporting a current year increase of \$23,240 in net investment in capital assets. This increase is related to the payment on the note exceeding the depreciation and acquisition of capital assets, and the amortization on the deferred loss on bond refunding.

## **FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the School's governmental funds reported combined ending fund surplus of \$4,155,899. The capital fund monies are required to be spent on certain things set forth in the Florida Statutes and the statutes allow 31 months to spend those monies. All of the monies were spent as of June 30, 2025 and June 30, 2024.

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance surplus of the General Fund was \$2,588,492, an increase of \$640,025 from the prior year. The total General Fund balance increased by \$848,408 during the current fiscal year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amends the School's budget throughout the fiscal year to reflect changes in expected revenues and expenditures and changes in FTE counts. During fiscal 2025, the Board amended the financial budget to actual, therefore, the final budget and actuals are the same. The budgetary information can be found on pages 26 – 28 of this report.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets**—The School's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$6,774,574. This investment in capital assets includes the school facility and related land, fixed equipment, furniture, and fixtures. See Note 3 in the accompanying financial statements for additional information.

**Debt**—At the end of the current fiscal year, the School had total long-term debt of \$7,693,017. The amount consists of a refinancing loan obtained to extinguish the original bond used to construct the school facilities. The current debt maturities can be seen in Note 4 in the accompanying financial statements.

## **ECONOMIC FACTORS**

School board, state, and federal funding from school boards according to the number of students enrolled principally support the School. Enrollment for the 2024-2025 school year was 682 students. Enrollment for the 2025-2026 school year is currently 699 students.

During 2025 and expected in 2026, the State of Florida enacted several legislative changes that significantly impact charter schools. These include new requirements for sharing local infrastructure surtax and property tax revenues with charter schools and the continuation of the Charter Schools Program (CSP) Grants to fund capital improvements and facility expansions. In the 2025-2026 state budget, there was also an increase in per-student funding to \$9,130, an approximate 1.6% increase over the previous year.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Choices in Learning, Inc., 1100 East State Road 434, Winter Springs, FL 32708.

**CHOICES IN LEARNING, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,421,789
Accounts receivable	16,926
Prepays	17,182
Capital assets:	
Capital assets, not being depreciated	1,091,914
Capital assets, being depreciated, net of accumulated depreciation	5,682,660
Total assets	\$ 11,230,471
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on bond refunding	\$ 474,838
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 299,998
Accrued interest payable	27,246
Noncurrent liabilities:	
Due within one year:	
Note payable	281,499
Due in more than one year:	
Note payable	7,411,518
Total liabilities	\$ 8,020,261
<b>NET POSITION</b>	
Nonspendable	\$ 17,182
Net investment in capital assets	(443,605)
Unrestricted	4,111,471
Total net position	\$ 3,685,048

The accompanying notes are an integral part of these financial statements.

**CHOICES IN LEARNING, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					Governmental Activities
Basic instruction	\$ 3,416,310	\$ -	\$ 574,185	\$ 180,704	\$ (2,661,421)
Exceptional instruction	409,048	-	-	-	(409,048)
Media services	57,825	-	-	-	(57,825)
Guidance services	71,754	-	-	-	(71,754)
Health services	87,300	-	-	-	(87,300)
Curriculum development	46,169	-	-	-	(46,169)
Staff development	5,284	-	-	-	(5,284)
Board expenses	37,436	-	-	-	(37,436)
General administration	38,988	-	-	-	(38,988)
School administration	757,093	-	-	-	(757,093)
Fiscal services	100,404	-	-	-	(100,404)
Food services	149,627	88,766	-	-	(60,861)
Transportation	95,501	-	-	-	(95,501)
Operation of plant	469,801	-	-	-	(469,801)
Maintenance of plant	64,343	-	-	-	(64,343)
Community services	312,491	584,725	-	-	272,234
Other programs and services	120,727	261,714	-	-	140,987
Interest on long-term debt	357,593	-	-	422,815	65,222
Unallocated depreciation	396,361	-	-	-	(396,361)
<b>Total governmental activities</b>	<b>\$ 6,994,055</b>	<b>\$ 935,205</b>	<b>\$ 574,185</b>	<b>\$ 603,519</b>	<b>(4,881,146)</b>
		General revenues:			
		State passed through local school board			5,664,592
		Other revenues:			
		Other income			92,315
		Total general and other revenues			5,756,907
		Change in net position			875,761
		Net position at July 1, 2024			2,809,287
		Net position at June 30, 2025			<u>\$ 3,685,048</u>

The accompanying notes are an integral part of these financial statements.

**CHOICES IN LEARNING, INC.**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2025**

	General Fund	Capital Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,421,789	\$ -	\$ 4,421,789
Accounts receivable	16,926	-	16,926
Prepays	17,182	-	17,182
Total assets	\$ 4,455,897	\$ -	\$ 4,455,897
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 299,998	\$ -	\$ 299,998
Total liabilities	299,998	-	299,998
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenses	17,182	-	17,182
Assigned for:			
Repair and replacement	1,550,225	-	1,550,225
Unassigned	2,588,492	-	2,588,492
Total fund balances	4,155,899	-	4,155,899
Total liabilities and fund balances	\$ 4,455,897	\$ -	\$ 4,455,897

The accompanying notes are an integral part of these financial statements.

CHOICES IN LEARNING, INC.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

JUNE 30, 2025

Fund balances - total governmental funds		\$	4,155,899
The net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:			
Land	1,091,914		
Land and buildings improvements	7,877,275		
Furniture, fixtures, and equipment	2,706,054		
Accumulated depreciation	<u>(4,900,669)</u>		
Total capital assets, net			6,774,574
Promissory note payable and other long-term liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds:			
Note payable	(7,693,017)		
Accrued interest	<u>(27,246)</u>		
			(7,720,263)
Unamortized deferred loss on bond defeasance is not recognized in the fund statements.			<u>474,838</u>
Total net position of governmental activities		\$	<u><u>3,685,048</u></u>

The accompanying notes are an integral part of these financial statements.

**CHOICES IN LEARNING, INC.**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2025**

	General Fund	Capital Fund	Total Governmental Funds
<b>Revenues</b>			
State passed through local school board	\$ 5,664,592	\$ -	\$ 5,664,592
Grants funds	551,325	180,704	732,029
Capital funds	-	422,815	422,815
Other revenues:			
Donations	22,860	-	22,860
Community services fees	584,725	-	584,725
Food service	88,766	-	88,766
Other income	354,029	-	354,029
<b>Total revenues</b>	<u>7,266,297</u>	<u>603,519</u>	<u>7,869,816</u>
<b>Expenditures</b>			
<b>Current:</b>			
Basic instruction	3,420,423	-	3,420,423
Exceptional instruction	409,048	-	409,048
Media services	57,825	-	57,825
Guidance services	71,754	-	71,754
Health services	87,300	-	87,300
Curriculum development	46,169	-	46,169
Staff development	5,284	-	5,284
Board expenses	37,436	-	37,436
General administration	38,988	-	38,988
School administration	757,093	-	757,093
Fiscal services	100,404	-	100,404
Food services	149,627	-	149,627
Transportation	95,501	-	95,501
Operation of plant	644,939	-	644,939
Maintenance of plant	64,343	-	64,343
Community services	120,727	-	120,727
Other programs and services	312,491	-	312,491
<b>Debt service:</b>			
Principal payment	-	269,806	269,806
Interest charges	-	332,250	332,250
<b>Total expenditures</b>	<u>6,419,352</u>	<u>602,056</u>	<u>7,021,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>846,945</u>	<u>1,463</u>	<u>848,408</u>
Other financing sources (uses)			
Transfers in	1,463	-	1,463
Transfers (out)	-	(1,463)	(1,463)
<b>Total other financing sources (uses)</b>	<u>1,463</u>	<u>(1,463)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>848,408</u>	<u>-</u>	<u>848,408</u>
Fund balances at July 1, 2024	3,307,491	-	3,307,491
<b>Fund balances at June 30, 2025</b>	<u><u>\$ 4,155,899</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,155,899</u></u>

The accompanying notes are an integral part of these financial statements.

CHOICES IN LEARNING, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds		\$	848,408
The change in net position reported for governmental activities in the statement of activities is 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.			
Current year expenditures for capital assets	175,138		
Current year depreciation expense	<u>(396,361)</u>		(221,223)
The issuance of long-term debt (i.e., promissory notes and leases) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.			
Principal payments			269,806
Interest and other expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Other expenses	4,113		
Amortization of bond premium	<u>(25,343)</u>		<u>(21,230)</u>
Change in net position of governmental activities		\$	<u>875,761</u>

The accompanying notes are an integral part of these financial statements.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. **Summary of Significant Accounting Policies**

The following is a summary of the more significant accounting policies of Choices in Learning, Inc. (the "School"), which affect significant elements of the accompanying basic financial statements.

(a) **Reporting entity**—Choices in Learning, Inc. (the School), a Charter School, is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, *the Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors (the "Board"), which is composed of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the Seminole County District School Board (the "District"). Effective July 1, 2024, the charter was renewed for 15 years through June 30, 2039. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, in the event the School is dissolved or terminated, any unencumbered public funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the Seminole County District School Board.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide 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.

(b) **Government-wide and fund financial statements**—The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the nonfiduciary activities of the School. All interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business-type activities.

Net position, the difference between assets, deferred outflows of resources, and liabilities, as presented in the Statement of Net Position, is subdivided into three categories: net investment in capital asset; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. **Summary of Significant Accounting Policies (continued)**

The Statement of Activities presents a comparison between the direct expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues, such as revenue received from the District.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All of the School's funds are deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

**(c) Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days 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 and general long-term debt, which are recorded as expenditures only when payment is due.

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. **Summary of Significant Accounting Policies (continued)**

The School uses the following major governmental funds:

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

**Capital Fund**—In accordance with guidelines established by the District, this capital projects fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital grants and donations.

(d) **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 operation at the combined governmental level and may be amended by the Board. For fiscal year ended June 30, 2025, the budget presented has been amended according to Board procedures.

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

(e) **Cash and cash equivalents**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Income taxes**—Under section 501(c)(3) of the Internal Revenue Code and Florida Statutes, the School is exempt from taxes on income other than unrelated business income. Since the School had no taxable unrelated business income during 2025, no provision for income taxes is provided in the financial statements.

Management of the School considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the School's status as a not-for-profit entity. Management believes the School met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these 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.

(g) **Capital assets**—Capital assets are defined by the School as assets with either an initial individual cost of more than \$500 or a grouping of like assets of more than \$500 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 value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. **Summary of Significant Accounting Policies (continued)**

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

Asset Class	Estimated Useful Lives (years)
Land and building improvements	2 - 40
Furniture, fixtures and equipment	3 - 7

(h) **Revenue sources**—Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during designated FTE student survey periods.

The School may receive federal and state awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These awards may have eligibility requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

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

(j) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to long-term debt, as discussed further in Note 4.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the School does not have any items that meet the definition of a deferred inflow of resources.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. **Summary of Significant Accounting Policies (continued)**

(k) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the Bylaws, district or local charter, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution. This includes the budget reserve account.

**Assigned**—Amounts that are designated by the Board of Directors for a specific purpose but are not spendable until a budget ordinance is passed by the Board of Directors.

**Unassigned**—All amounts not included in other spendable classifications.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed. In governmental fund financial statements, restricted funds are used first as appropriate. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The net investment in capital assets listed on the Statement of Net Position reflects total capital assets, \$6,774,574, plus the deferred loss on bond refunding, \$474,838, less debt directly related to the acquisition of those assets, \$7,693,017.

(l) **Fund balance policy**—The School's fund balance policy requires it to maintain three months of expenditures for emergencies. It is also the School's policy that each year approximately \$75,000 of the fund balance, if available above and beyond the three month emergency fund, shall be spent on Board-approved capital improvements related to technology improvements in an effort to keep the School technologically advanced. Any remaining money in the fund balance shall be used as determined by the School's Board.

In May 2015, the Board approved the assignment of General Fund balance for future replacement costs starting in 2016. The School developed a replacement plan schedule based on current costs and will increase the assignment approximately 5% every year for inflation. At June 30, 2025, \$1,550,225 was assigned for future replacement costs.

**CHOICES IN LEARNING, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**2. Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental funds balance sheet is a reconciliation between *fund balances – total governmental funds and net position of governmental activities* as reported in the government-wide statement of net position. The details of this difference are explained in the above referenced financial statement.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental funds statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between *net change in fund balances – total governmental funds and changes in net position of governmental activities*. The details of this difference are explained in the above referenced financial statement.

**3. Capital Assets**

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

	Balance at July 1, 2024	Additions	Deductions	Balance at June 30, 2025
Capital assets not being depreciated:				
Land	\$ 1,091,914	\$ -	\$ -	\$ 1,091,914
Total capital assets, not being depreciated	1,091,914	-	-	1,091,914
Capital assets being depreciated:				
Land and building improvements	7,877,275	-	-	7,877,275
Furniture, fixtures and equipment	2,530,916	175,138	-	2,706,054
Total capital assets	10,408,191	175,138	-	10,583,329
Less: accumulated depreciation for:				
Land and building improvements	2,425,147	219,962	-	2,645,109
Furniture, fixtures and equipment	2,079,161	176,399	-	2,255,560
Total accumulated depreciation	4,504,308	396,361	-	4,900,669
Total capital assets, being depreciated, net	5,903,883	(221,223)	-	5,682,660
Capital assets, net	\$ 6,995,797	\$ (221,223)	\$ -	\$ 6,774,574

Capital assets are used by multiple functions with the School and cannot be easily charged directly to a specific function. For the year ended June 30, 2025, unallocated depreciation expense was \$396,361.

**CHOICES IN LEARNING, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**4. Long-term Debt**

On February 25, 2019, the School authorized a \$9,199,407 loan agreement with a 4.250% interest rate. The proceeds were used to redeem \$9,060,000 of outstanding 2010 series bonds, whose interest rate was between 6.200% and 7.375%. The School refunded the bonds to reduce its total debt service payments over 22 years by \$3,458,755.

At June 30, 2025, long-term debt consisted of the loan agreement entered into with Charter Impact Fund, Inc. on February 25, 2019. The principal amount of the loan entered into with Charter Impact Fund, Inc. was \$9,199,407, with a maturity date on November 1, 2043, and payments of principal plus interest 4.250% monthly. The loan is collateralized by land and school facility located in the City of Winter Springs, Florida, as described in the loan document. The School is required to maintain a debt service coverage ratio, a minimum student enrollment, and maintain not less than sixty days cash on hand as defined in the loan document. As of and for the year ended June 30, 2025, the School was in compliance with these requirements.

A summary of long-term debt for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Payments	Balance June 30, 2025	Due Within One Year
Governmental activities:					
Note payable	\$ 7,962,823	\$ -	\$ 269,806	\$ 7,693,017	\$ 281,499
Total	<u>\$ 7,962,823</u>	<u>\$ -</u>	<u>\$ 269,806</u>	<u>\$ 7,693,017</u>	<u>\$ 281,499</u>

The annual debt service requirements to maturity for all governmental-type activity debt outstanding as of June 30, 2025 are as follows:

Years	Principal	Interest	Total
2026	\$ 281,499	\$ 321,512	\$ 603,011
2027	293,698	309,313	603,011
2028	306,427	296,584	603,011
2029	319,707	283,304	603,011
2030	333,562	269,449	603,011
2031-2035	1,897,591	1,117,463	3,015,054
2036-2040	2,345,995	669,059	3,015,054
2041-2044	1,914,538	145,748	2,060,286
Total	<u>\$ 7,693,017</u>	<u>\$ 3,412,432</u>	<u>\$ 11,105,449</u>

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

5. Concentrations

(a) **Revenue sources**—As stated in Note 1, the School receives revenues for current operations primarily from the Seminole County District School Board pursuant to the funding provisions included in the School’s charter and from federal awards. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during designated FTE student survey periods. A significant decline in funding from the School Board could have a material impact on future operations.

(b) **Cash and cash equivalents**—At June 30, 2025, the carrying amount of the School’s deposits and the bank balances were \$4,421,789. The School maintains cash deposits at one bank in Florida. The School has no deposit policy for custodial risk, which is the risk that in the event of a bank failure, the School’s deposit may not be returned. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable FDIC limits. Any balance in excess of FDIC insurance is covered by collateral held by the School’s custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

6. Commitments

During the year ended June 30, 2025, the School contracted for student bus transportation with monthly payments between \$11,965 and \$14,737, renewable annually until expiring in May 2026. Current year payments charged to operations totaled \$95,501. The following is a schedule of future minimum payments if renewed annually:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ 107,683

**CHOICES IN LEARNING, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**6. Commitments (continued)**

During the year ended June 30, 2025, the School contracted with a consulting organization for accounting and finance services with annual payments of \$100 per student per school year. The School contracted with the same organization for human resource and payroll services with annual payments of \$340 per School employee per school year. Additionally, the School contracted with the organization for hourly contract work to assist with business manager services at a rate of \$120 per hour (or \$75 per hour if the School elects to utilize Back Office Services) until the position has been filled by the School. The term of each agreement shall be effective until either the School or consulting organization decide to terminate the agreement. During the year ended June 30, 2025, the School made total payments of approximately \$111,158 to the organization for services provided.

**7. Related Party Information:**

The Seminole County School District Board (the District) provides the School with various equipment and furniture. The District maintains title to said property and all property is to be returned to the District if the School ceases operation or no longer has use for the assets. These assets are not included in the financial statements of the School. However, if the School receives surplus equipment and furniture, said property becomes the property of the School and does not have to be returned to the District.

**8. Interfund Accounts and Transfers:**

During the year ended June 30, 2025, the Capital Fund transferred \$1,463 to the General Fund to pay for allowable expenditures.

**9. Profit Sharing Plan:**

The School has a profit-sharing plan (the Plan) pursuant to Section 401(k) of the Internal Revenue Code (the Code), whereby participants may contribute a percentage of compensation, but not in excess of the maximum amount allowed under the Code. All eligible employees may enroll in the Plan when hired. The Plan provides for an employer base contribution on the employee's behalf equal to 3% of the employee's monthly compensation. For the year ended June 30, 2025, employer contributions were \$71,115 and employee contributions were \$139,890. As of June 30, 2025, the Plan had 73 participating employees.

**10. Risk Management:**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

11. **Implemented Accounting Pronouncements:**

GASB issued several pronouncements that have effective dates that may impact the current year financial statements. Listed below are the pronouncements that have been implemented during the fiscal year ended June 30, 2025. The adoption of the following standards had no significant impact on the School's financial statements:

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amended the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

12. **Recent Accounting Pronouncements:**

GASB has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to June 30, 2025, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the School's financial statements:

- (a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of this Statement 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 provisions for GASB 103 are effective for fiscal years beginning after June 15, 2025.
- (b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 enhances transparency by requiring separate disclosures of specific types of capital assets in the notes to financial statements. These include lease assets (GASB 87), intangible right-to-use assets (GASB 94), subscription-based IT assets (GASB 96), and other intangible assets, all disclosed by major class. Additionally, GASB 104 introduces disclosure requirements for capital assets held for sale - defined as assets the government has decided to sell and for which it is probable the sale will be finalized within one year of the financial statement date. Governments must disclose the historical cost, accumulated depreciation, and any related debt for which such assets are pledged as collateral. The provisions of GASB 104 are effective for fiscal years beginning after June 15, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHOICES IN LEARNING, INC.**

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

**YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual General Fund	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Seminole County District School Board	\$ 5,599,207	\$ 5,664,592	\$ 5,664,592	\$ -
Grants funds	16,000	551,325	551,325	-
Other revenues:				
Donations	18,000	22,860	22,860	-
Community services fees	394,000	584,725	584,725	-
Food service	19,000	88,766	88,766	-
Other income	409,450	354,029	354,029	-
<b>Total revenues</b>	<u>6,455,657</u>	<u>7,266,297</u>	<u>7,266,297</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Basic instruction	3,140,765	3,420,423	3,420,423	-
Exceptional instruction	350,036	409,048	409,048	-
Media services	52,507	57,825	57,825	-
Guidance services	62,203	71,754	71,754	-
Health services	34,702	87,300	87,300	-
Curriculum development	100,371	46,169	46,169	-
Staff development	9,000	5,284	5,284	-
Board expenses	45,100	37,436	37,436	-
General administration	40,751	38,988	38,988	-
School administration	703,012	757,093	757,093	-
Fiscal services	94,900	100,404	100,404	-
Information services	3,600	-	-	-
Food services	141,672	149,627	149,627	-
Transportation	98,000	95,501	95,501	-
Operation of plant	510,576	644,939	644,939	-
Maintenance of plant	207,500	64,343	64,343	-
Community services	182,310	120,727	120,727	-
Other programs and services	41,500	312,491	312,491	-
<b>Total expenditures</b>	<u>5,818,505</u>	<u>6,419,352</u>	<u>6,419,352</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>637,152</u>	<u>846,945</u>	<u>846,945</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	1,463	1,463	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,463</u>	<u>1,463</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>637,152</u>	<u>848,408</u>	<u>848,408</u>	<u>-</u>
Fund balances at July 1, 2024	3,307,491	3,307,491	3,307,491	-
<b>Fund balances at June 30, 2025</b>	<u>\$ 3,944,643</u>	<u>\$ 4,155,899</u>	<u>\$ 4,155,899</u>	<u>\$ -</u>

See notes to required supplemental information.

CHOICES IN LEARNING, INC.

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

YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Capital Fund	Variance with Final Budget
	Original	Final		
Revenues				
Grants funds	\$ -	\$ 180,704	\$ 180,704	\$ -
Capital funds	570,897	422,815	422,815	-
Total revenues	570,897	603,519	603,519	-
Expenditures				
Debt service:				
Principal payment	269,806	269,806	269,806	-
Interest charges	333,205	332,250	332,250	-
Total expenditures	603,011	602,056	602,056	-
Excess (deficiency) of revenues over (under) expenditures	(32,114)	1,463	1,463	-
Other financing sources (uses)				
Transfers (out)	-	(1,463)	(1,463)	-
Total other financing sources (uses)	-	(1,463)	(1,463)	-
Net change in fund balance	(32,114)	-	-	-
Fund balances at July 1, 2024	-	-	-	-
Fund balances at June 30, 2025	\$ (32,114)	\$ -	\$ -	\$ -

See notes to required supplemental information.

**CHOICES IN LEARNING, INC.**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2025**

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

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund is presented using the School’s budget format for the governmental funds of the general fund.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Capital Fund is presented using the School’s budget format for the governmental funds of the capital 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 operation at the combined governmental level and may be amended by the Board of Directors (the Board). For fiscal year ended June 30, 2025, the budgets presented has been amended according to Board procedures.

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



**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**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Ric Perez  
Cori G. Novinich  
Renee C. Varga

To the Board of Directors of  
Choices in Learning, Inc.  
Winter Springs, 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 and each major fund of Choices in Learning, Inc. (the “School”), which is a component unit of the School Board of Seminole 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 September 16, 2025.

Winter Park, FL 32789  
501 S. New York Ave.  
Phone: 407-644-5811  
www.mosskrusick.com

**Report on Internal Control over Financial Reporting**

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

Clearwater, FL 33761  
29605 US Hwy 19 North  
Phone: 727-785-7460

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.

N. Palm Beach, FL 33408  
631 US Highway One  
Phone: 561-848-9300

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

Miami Lakes, FL 33016  
7900 NW 155th Street  
Phone: 305-445-7956

Miramar, FL 33025  
11450 Interchange Circle  
Phone: 954-435-4222

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 16, 2025



**MANAGEMENT LETTER**

**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Ric Perez  
Cori G. Novinich  
Renee C. Varga

To the Board of Directors of  
Choices in Learning, Inc.  
Winter Springs, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Choices in Learning, Inc. (the "School"), which is a component unit of The School Board of Seminole County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 16, 2025.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 16, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following is a summary of all findings and recommendations reported in the preceding financial audit report:

**2024-001 – Review and Reconciliation of Old Outstanding Balances** – Corrective action taken.

**2024-002 – Retention of Proper Support and Verification of Payroll Inputs** – Corrective action taken.

**2024-004 – Proper Classification of General Ledger Account Balances Based on True Nature of The Underlying Transactions** – Corrective action taken.

**Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is *Choices in Learning, Inc.* (9229), which is a component unit of The School Board of Seminole County, Florida.

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501 S. New York Ave.  
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7900 NW 155th Street  
Phone: 305-445-7956

Miramar, FL 33025  
11450 Interchange Circle  
Phone: 954-435-4222

### **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 Choices in Learning, Inc. 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 us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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, Choices in Learning, Inc.'s management, The School Board of Seminole County, Florida, 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 16, 2025

## **MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES**

For the year ended June 30, 2025, there are no management findings, recommendations or responses.