

# 2025

Clear Choice Academies, Inc.  
(A Component Unit of the Marion County  
District School Board)

Financial Statements and  
Independent Auditor's Report

June 30, 2025

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**CLEAR CHOICE ACADEMIES, INC.**  
(A Component Unit of the Marion County District School Board)

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Clear Choice Academies, Inc (the Corporation), a component unit of the Marion 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 Corporation'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 Corporation as of June 30, 2025, and the respective changes in financial position thereof 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 Corporation, 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 Corporation'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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To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

### **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 Corporation'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 Corporation'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 management's discussion and analysis and the budgetary comparison schedule, 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 GASB, 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

To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

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 December 1, 2025, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

*Purvis Gray*

December 1, 2025  
Ocala, Florida

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

This discussion and analysis of Clear Choice Academies, Inc. (the Corporation) financial performance provides an overview of the Corporation's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Corporation's financial statements, which follow this section.

The following are various financial highlights for fiscal year ended June 30, 2025:

- The Corporation's ending unrestricted net position totaled – (\$120,307) at June 30, 2025, the end of the Ocali Charter Middle School's tenth year of operation and Ocali Charter High School's first year.
- The Corporation had total expenses for the year of \$3,531,587 compared to revenues of \$3,346,490.
- The Corporation served approximately 300 students in the 2024-2025 school year and 275 students in 2023-2024, in grades six through eight.

#### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This annual report contains government-wide financial statements that report on the Corporation's activities as a whole and fund financial statements that report on the Corporation's individual funds.

##### **Government-Wide Financial Statements**

The first financial statement is the Statement of Net Position. This statement includes all of the Corporation's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position – the difference between assets and liabilities – can be used to measure the Corporation's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Corporation's financial health is improving or deteriorating. However, other non-financial factors, such as enrollment levels or changes in state funding, must also be considered when assessing the overall health of the Corporation.

In these statements, all of the Corporation's activities are considered to be governmental activities. The Corporation has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the Corporation's funds.

##### **Fund Financial Statements**

The Corporation maintains two individual governmental funds, the Special Revenue Funds. Both funds are considered to be major funds and, accordingly, they are separately displayed.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

*Governmental Funds*—these funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund’s financial position. A reconciliation is provided with these statements, which helps to explain the differences between the fund financial statements and the government-wide financial statements.

**CONDENSED FINANCIAL INFORMATION**

The following table presents condensed, government-wide current year data about net position and changes in net position:

	<b>2025</b>	<b>2024</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<hr/>	<hr/>
<b>NET POSITION</b>		
Assets:		
Non-Capital Assets	\$ 192,417	\$ 589,717
Capital Assets, Net	4,565,263	4,981,879
Total Assets	<hr/> 4,757,680	<hr/> 5,571,596
Liabilities:		
Current Liabilities	261,082	672,387
Long-Term Liabilities	4,616,905	4,834,419
Total Liabilities	<hr/> 4,877,987	<hr/> 5,506,806
Net Position:		
Net Invested in Capital Assets	(269,156)	(89,281)
Unrestricted	148,849	154,071
Total Net Position	<hr/> <u>\$ (120,307)</u>	<hr/> <u>\$ 64,790</u>
<b>CHANGE IN NET POSITION</b>		
General Revenues:		
FTE Non-Specific Revenues	\$ 3,280,059	\$ 2,806,185
Other Local Revenues	65,633	196,573
Interest Income	798	13
Total Revenues	<hr/> 3,346,490	<hr/> 3,002,771
Program Expenses:		
Instruction	1,635,713	1,492,720
General Support	1,859,121	1,504,867
Community Service	13,844	30,256
Maintenance of Plant	22,909	29,621
Total Expenses	<hr/> 3,531,587	<hr/> 3,057,464
Change in Net Position	(185,097)	(54,693)
Beginning, Net Position	64,790	119,483
Ending, Net Position	<hr/> <u>\$ (120,307)</u>	<hr/> <u>\$ 64,790</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

**OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Governmental Activities.** The governmental activities generated \$3,346,490 of general revenues, and incurred \$3,531,587 of program expenses. This resulted in a \$185,097 decrease in net position.

**THE CORPORATION'S INDIVIDUAL FUNDS**

**Ocali Charter Middle School.** The fund balance of the Ocali Charter Middle School increased by \$318,325 to a balance of \$875,236.

**Ocali Charter High School.** The fund balance of Ocali Charter High School decreased by \$323,547 to an ending deficit of \$726,387.

**BUDGETARY HIGHLIGHTS**

**Ocali Charter Middle School and Ocali Charter High School.** The original budgets were amended to reflect various changes in expenditures. The Corporation had an excess of expenditures over appropriations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Corporation implemented Governmental Accounting Standards Board (GASB) No. 87, *Leases* during the previous year, which recorded the leases that are financing in nature and the right to use of an underlying asset. The Corporation has a lease agreement for the school building space for both the Middle School and the High School, which recorded an asset of \$568,570 and \$4,846,613 respectively. Refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Corporation's capital asset activity.

**Long-Term Debt.** In recognizing the effects of GASB No. 87, *Leases*, on our financial statements we recorded a liability in the amount of \$568,570 for Ocali Charter Middle School and a liability of \$4,846,613 for Ocali Charter High School. Refer to the note to the accompanying financial statements entitled Long-Term Debt for more detailed information about the Corporation's lease activity.

**ECONOMIC FACTORS**

The Corporation currently is not aware of any conditions that are expected to have a significant effect on the Corporation's financial position or results of operations. Ocali Charter Middle School is currently at maximum enrollment and the Corporation anticipates this to continue for the 2024-2025 school year. Ocali Charter High School plans to add another grade level during the 2024-2025 school year, which will also increase their enrollment.

**CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Susan Kile (Board Chairman), Clear Choice Academies, Inc. 3233 SE Maricamp Road, Ocala, Florida 34471.

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 11,331
Accounts Receivable	138,617
Prepays	8,163
Deposits	34,306
Capital Assets:	
Depreciable, Net	4,565,263
<b>Total Assets</b>	<b>4,757,680</b>
 <b>Liabilities</b>	
Accounts and Wages Payable	43,568
Lease Liability:	
Current Portion	217,514
Long-Term Portion	4,616,905
<b>Total Liabilities</b>	<b>4,877,987</b>
 <b>Net Position</b>	
Net Invested in Capital Assets	(269,156)
Unrestricted	148,849
<b>Total Net Position</b>	<b>\$ (120,307)</b>

See accompanying notes.

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025  
CLEAR CHOICE ACADEMIES, INC.**

*(A Component Unit of the Marion County District School Board)*

**OCALA, FLORIDA**

<b>Function/Program Activities</b>	<b>(Expenses)</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Change in Net Assets</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental Activities</b>					
Instruction	\$ (1,635,713)	\$ -	\$ -	\$ -	\$ (1,635,713)
General Support	(1,859,121)	-	-	-	(1,859,121)
Community Service	(13,844)	-	-	-	(13,844)
Maintenance of Plant	(22,909)	-	-	-	(22,909)
<b>Total Governmental Activities</b>	<b>\$ (3,531,587)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,531,587)</b>
<b>General Revenues</b>					
State Revenue:					
FTE Non-Specific Revenues					
Other Local Revenues					
<b>Total General Revenues</b>					
					3,280,059
					66,431
					<u>3,346,490</u>
<b>Change in Net Position</b>					(185,097)
<b>Net Position, Beginning of Year</b>					<u>64,790</u>
<b>Net Position, End of Year</b>					<u>\$ (120,307)</u>

See accompanying notes.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**

*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

	<b>Ocali Charter Middle School</b>	<b>Ocali Charter High School</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 1,408	\$ 9,923	\$ 11,331
Accounts Receivable	93,380	45,237	138,617
Prepays	8,163	-	8,163
Deposits	14,306	20,000	34,306
Due from Other Funds	779,496	-	779,496
<b>Total Assets</b>	<b>896,753</b>	<b>75,160</b>	<b>971,913</b>
<b>Liabilities and Fund Balances</b>			
Current Liabilities:			
Accounts and Wages Payable	21,517	22,051	43,568
Due to Other Funds	-	779,496	779,496
<b>Total Current Liabilities</b>	<b>21,517</b>	<b>801,547</b>	<b>823,064</b>
Fund Balances:			
Non-Spendable	22,469	20,000	42,469
Unassigned	852,767	(746,387)	106,380
<b>Total Fund Balances</b>	<b>875,236</b>	<b>(726,387)</b>	<b>148,849</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 896,753</b>	<b>\$ 75,160</b>	<b>\$ 971,913</b>

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

<b>Fund Balance - Total Governmental Funds</b>	\$	148,849
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**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

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

Capital Assets - Net of Accumulated Depreciation		71,343
Right of Use Asset - Building, Net of Accumulated Amortization		4,493,920

Long-term liabilities are not due and payable in the current period, and accordingly, are not reported in governmental funds:

Lease Payable		<u>(4,834,419)</u>
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<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>(120,307)</u></u></b>
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See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

	<b>Ocali Charter Middle School</b>	<b>Ocali Charter High School</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Local	\$ 2,233,211	\$ 1,046,848	\$ 3,280,059
Other Local Revenues	49,592	16,839	66,431
<b>Total Revenues</b>	<u>2,282,803</u>	<u>1,063,687</u>	<u>3,346,490</u>
<b>Expenditures</b>			
Current:			
Instruction	987,478	625,975	1,613,453
General Support	791,033	390,034	1,181,067
Community Service	9,089	4,755	13,844
Maintenance of Plant	7,678	15,231	22,909
Debt Service:			
Lease Principal	159,022	77,719	236,741
Lease Interest	10,178	273,520	283,698
<b>(Total Expenditures)</b>	<u>(1,964,478)</u>	<u>(1,387,234)</u>	<u>(3,351,712)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	318,325	(323,547)	(5,222)
<b>Fund Balances, Beginning of Year</b>	<u>556,911</u>	<u>(402,840)</u>	<u>154,071</u>
<b>Fund Balances, End of Year</b>	<u>\$ 875,236</u>	<u>\$ (726,387)</u>	<u>\$ 148,849</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUND  
JUNE 30, 2025  
CLEAR CHOICE ACADEMIES, INC.  
(A Component Unit of the Marion County District School Board)  
OCALA, FLORIDA**

<b>Deficiency of Revenues Over Expenditures - Total Governmental Fund</b>	\$	(5,222)
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**Amounts Reported for Governmental Activities in the Statement of  
Activities are Different Because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Current Year Depreciation and Amortization Expense		(416,616)
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The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following are effects of the difference in the treatment of long-term debt:

Lease Principal		<u>236,741</u>
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<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>(185,097)</u></u></b>
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See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

On January 1, 2021, the school officially changed its name from Ocali Charter Middle School, Inc. to Clear Choice Academies, Inc. (the Corporation). In the future, management and the Board of Directors would like to open additional locations and schools to develop a Clear Choice Academies, Inc. family of charter schools. The Corporation currently operates Ocali Charter Middle School and Ocali Charter High School.

The accounting policies of the Corporation conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**Reporting Entity**

The Corporation 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 not-for-profit corporation conducts business as the Corporation. The governing body of the Corporation is the not-for-profit corporation's Board of Directors. The Corporation is currently exempt from state and federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision has been made for income tax liabilities or expenses.

The general operating authority of the Corporation is contained in Section 1002.33, Florida Statutes. Each school within the Corporation operates under a charter of the sponsoring school district, the Marion County District School Board (the District). The current charter for Ocali Charter Middle School is effective until June 30, 2039, and the charter for Ocali Charter High School is effective until June 30, 2027. At the end of the term of the charter, the District may choose not to renew the charter under 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, the charter school contract provides that in the event the Corporation is dissolved or terminated, any unencumbered 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 Corporation is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the Corporation, which should be reported with the Corporation'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 Corporation is financially accountable and other organizations for which the nature and significance of their relationship with the Corporation are such that exclusion would cause the Corporation's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Corporation.

**Government-Wide Financial Statements**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Corporation. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The Corporation has no business-type activities.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

The Statement of Net Position reports the Corporation's financial position as of the end of the fiscal year. In this statement, the Corporation's net position is reported in three categories: net invested in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services that are directly related to a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

The financial transactions of the Corporation are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The following funds are used by the Corporation:

*Governmental Funds:*

- Ocali Charter Middle School – a special revenue fund designated to manage activities of Ocali Charter Middle School.
- Ocali Charter High School – a special revenue fund designed to manage activities of Ocali Charter High School.

The Corporation has no non-major funds.

**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 recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other items are considered to be measurable and available only when cash is received.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

**Cash**

Cash consists of deposits in financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2025, there were no amounts in excess of FDIC insurance coverage. The Corporation has no policy regarding deposit custodial credit risk.

**Accounts Receivable**

Receivables are recorded by the Corporation for funds to be received from various federal and state grants as revenues are earned. An allowance for uncollectible receivables has not been recorded, all amounts are deemed collectible.

**Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets and Depreciation**

Capital assets are defined by the Corporation as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value on the date of donation. Furniture, fixtures, and equipment have an estimated useful life of 3 years and leasehold improvements have an estimated useful life of 15 years; all are depreciated using the straight-line method.

**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 Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Educational Finance Program and the actual weighted FTE students reported by the Corporation during the designated FTE student survey periods. The Corporation also receives other local revenues that consist of contributions, school events, and fundraisers.

**Compensated Absences**

The Corporation does not pay for employees' unused sick and vacation time and unused time does not accumulate. Therefore, no liability for compensated absences is recorded.

**Leases**

The Corporation has entered into a right-to-use building agreements for classroom and office space for Ocali Charter Middle School and Ocali Charter High School. When the Corporation is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. Lease intangible assets are reported with the capital assets and lease liabilities are reported with long-term liabilities on the government-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

**Net Position**

Net position represents the difference between assets and liabilities and is reported in three categories as hereafter described. Net invested in capital assets represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on its use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is net position that does not meet the definition of the classifications previously described.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Fund Balance Classifications**

Governmental funds report separate classifications of fund balance, the Corporation maintains the following classification:

- **Non-Spendable:** This classification includes amounts that cannot be spent because they are either: (a) not in a spendable form, or (b) they are legally or contractually required to be maintained intact. The Corporation has prepaid assets and deposits that are not in a spendable form.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources whether: (a) externally imposed by creditors (such as through debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The Corporation has received School Recognition Funds from the FDOE for distribution to teachers.
- **Unassigned:** Unassigned fund balance is the residual classification for the general fund. It is the policy of the Corporation to use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed, the Corporation will then use unassigned resources. The Corporation does not have a formal policy requiring a minimum fund balance.

**Income Taxes**

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provisions have been made for income tax liabilities or expenses.

It is the policy of management to evaluate its tax position on an ongoing basis and to disclose any such positions it believes would have a material impact on the financial statements and related notes. Management also believes that no such required disclosures currently exist.

The Corporation is no longer subject to U.S. federal or state income tax examinations by tax authorities for over three years in the past. The Corporation would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties, if any, in operating expenses.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

**Budgetary Information**

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control. For the year ended June 30, 2024, the Corporation had an excess of revenues over expenditures.

**Note 2 - Capital Assets and Depreciation**

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

	<b>Balance Beginning of Year</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Balance End of Year</b>
<b>Capital Assets Being Depreciated</b>				
Furniture, Fixtures, and Equipment	\$ 67,253	\$ -	\$ -	\$ 67,253
Leasehold Improvements	72,046	-	-	72,046
Computer Software	24,609	-	-	24,609
Right to Use Asset - Building	5,415,183	-	-	5,415,183
<b>Total Capital Assets Before Depreciation</b>	<b>5,579,091</b>	<b>-</b>	<b>-</b>	<b>5,579,091</b>
<b>Accumulated Depreciation</b>				
Furniture, Fixtures, and Equipment	37,319	13,331	-	50,650
Leasehold Improvements	20,057	4,304	-	24,361
Computer Software	12,929	4,625	-	17,554
Right to Use Asset - Building	526,907	394,356	-	921,263
<b>Total Accumulated Depreciation</b>	<b>(597,212)</b>	<b>(416,616)</b>	<b>-</b>	<b>(1,013,828)</b>
<b>Total Depreciated, Net</b>	<b>\$ 4,981,879</b>	<b>\$ (416,616)</b>	<b>\$ -</b>	<b>\$ 4,565,263</b>

Depreciation and amortization expense was allocated in the Statement of Activities, to the following:

Instruction	\$ 15,702
General Support	<u>400,913</u>
<b>Total</b>	<b><u>\$ 416,616</u></b>

**Note 3 - Revenue Sources**

	<b>Ocali Charter Middle School</b>	<b>Ocali Charter High School</b>
<b>Marion County School Board</b>		
Florida Education Finance Program	\$ 1,215,658	\$ 698,481
Class Size Reduction	169,862	97,534
Public Education Capital Outlay (PECO)	154,865	-
District School Taxes	196,517	81,067
ESE Guaranteed Allocation	43,810	18,240
Educational Enrichment	53,841	31,679
Safe Schools Program	19,202	11,302
Charter School Implementation Grant	-	33,128
<b>Total Marion County School Board</b>	<b><u>\$ 1,853,755</u></b>	<b><u>\$ 971,431</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

	<u>Ocali Charter Middle School</u>	<u>Ocali Charter High School</u>
<b>Other</b>		
Before and Afterschool Programs	\$ 41,914	\$ -
Transportation	33,280	21,804
Contributions	15,992	65,313
<b>Total Local</b>	<u>\$ 91,186</u>	<u>\$ 87,117</u>
<b>Federal Grants</b>		
Title I	\$ 25,194	\$ 5,139
Elementary and Secondary School Emergency Relief Fund	312,668	-
<b>Total Federal Grants</b>	<u>\$ 337,862</u>	<u>\$ 5,139</u>

**Note 4 - Line of Credit Payable**

The Corporation established a \$400,000 line of credit at an interest rate of 6.50%. As of June 30, 2025, There was no balance due

**Note 5 - Long-Term Debt**

**Leases Payable**

The Corporation renewed and extended the leased space agreement for Ocali Charter Middle School through March 31, 2026. As of June 30, 2025, the balance of the lease liability was \$127,072.

Monthly principal and interest payments of \$13,600 are required, which escalate by \$600 on April 1 of each year. The lease has an imputed interest rate of 4.75% based on prime rates. The value of the right-to-use asset as of the end of the current fiscal year is \$568,570 and an accumulated amortization of \$454,854.

The Corporation entered into a build to suit lease agreement for the high school on March 8, 2023, with the first payment due August 1, 2023. Monthly principal and interest payments of \$26,217 are required. This amount escalates by a pre-negotiated annual percentage increase between 8.5% - 13.26%. The lease has an imputed interest rate of 5.33% based on prime rates. The value of the right-to-use asset as of June 30, 2025 is \$4,846,613 and accumulated amortization of \$466,408 is included in the Capital Assets table in Note 2.

The lease agreements are summarized as of June 30, 2025, is as follows:

<u>Lease</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>
OCMS Building	\$ 286,094	\$ -	\$ 159,022	\$ 127,072
OCHS Building	4,785,066	-	77,719	4,707,347
<b>Total</b>	<u>\$ 5,071,160</u>	<u>\$ -</u>	<u>\$ 236,741</u>	<u>\$ 4,834,419</u>

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

Principal and interest requirements for the Ocali Charter Middle School Building lease liability as of June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 127,072	\$ 2,528	\$ 129,600
<b>Total</b>	<b>\$ 127,072</b>	<b>\$ 2,528</b>	<b>\$ 129,600</b>

Principal and interest requirements for the Ocali Charter High School Building lease liability as of June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 90,442	\$ 248,713	\$ 339,155
2027	104,071	243,563	347,634
2028	118,662	237,663	356,325
2029	134,273	230,960	365,233
2030	945,694	1,022,085	1,967,779
Thereafter	3,314,205	902,117	4,216,322
<b>Total</b>	<b>\$ 4,707,347</b>	<b>\$ 2,885,101</b>	<b>\$ 7,592,448</b>

**Note 6 - Defined Contribution Pension Plan**

The Corporation has a 403(b) defined contribution retirement plan covering substantially all employees. The plan is the Ocali Charter Middle School, Inc. 403(b) Retirement Plan (the Plan). The Plan is administered by the Corporation and its Trustees are the Schools' Board of Directors. Authority to amend the Plan rests with the Trustees. The matching contribution is determined by the Trustees annually. The matching contribution for the year ended June 30, 2025, was 100% of each participant's contribution, up to 3% of each participating employee's compensation. Vesting occurs ratably over five years of service. Employer contributions, net of forfeitures (retirement expense) to the Plan during fiscal year ended June 30, 2025, was \$107,585.

**Note 7 - Risk Management and Legal Claims**

The Corporation is exposed to various risks of loss, including general liability, personal injury, workers' compensation, and errors and omissions. To manage its risks, the Corporation has purchased commercial insurance. There have been no significant reductions in insurance coverage from the prior year and there have been no settlements during the past three years.

**Note 8 - Interfund Disclosures**

Interfund receivables and payables are the result of the advance between the special revenue funds.

**NOTES TO FINANCIAL STATEMENTS**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component Unit of the Marion County District School Board)*  
**OCALA, FLORIDA**

The composition of interfund balances as of June 30, 2025, is as follows:

<b>Fund</b>	<b>Interfund Advances Receivables</b>	<b>Interfund Advances Payables</b>
Ocali Charter Middle School	\$ 779,496	\$ -
Ocali Charter High School	-	779,496

**Note 9 - Going Concern**

The Corporation's financial statements are prepared assuming it will continue as a going concern. However, substantial doubt exists due to financial deficits incurred by the Corporation including a negative current ratio of \$68,665 and current year decrease in net position of \$185,097, resulting in a decreased amount of working capital to meet obligations.

The change in the financial position of the Corporation is a result of opening Ocali Charter High School. Management evaluated these conditions and determined the substantial doubt is alleviated by its plans, which include adding an additional grade to Ocali Charter High School without any additional overhead. Ocali Charter High School will receive Florida Education Finance Program funding for 40 or more additional students during the 2025-2026 school year. Ocali Charter High School will add the last grade in the subsequent year. At that time, Ocali Charter High School will be able to meet the needs of students in grades 9-12, with no additional overhead.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - OCALI CHARTER MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2025  
CLEAR CHOICE ACADEMIES, INC.**

*(A Component of the Marion County District School Board)*

**OCALA, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State Revenue:				
Florida Education Finance Program	\$ 1,715,900	\$ 2,205,739	\$ 2,233,211	\$ 27,472
Other Local Revenue	114,546	49,590	49,592	2
<b>Total Revenues</b>	<u>1,830,446</u>	<u>2,255,329</u>	<u>2,282,803</u>	<u>27,474</u>
<b>Expenditures</b>				
Current:				
Instruction	967,391	995,233	987,478	7,755
General Support	631,208	917,479	791,033	126,446
Community Service	230,586	9,090	9,089	1
Maintenance Plant	3,974	7,700	7,678	22
Debt Service	169,200	169,200	169,200	-
<b>(Total Expenditures)</b>	<u>(2,002,359)</u>	<u>(2,098,702)</u>	<u>(1,964,478)</u>	<u>134,224</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(171,913)	156,627	318,325	161,698
<b>Beginning Fund Balance</b>	<u>(33,964)</u>	<u>(42,856)</u>	<u>556,911</u>	<u>599,767</u>
<b>Ending Fund Balance</b>	<u>\$ (205,877)</u>	<u>\$ 113,771</u>	<u>\$ 875,236</u>	<u>\$ 761,465</u>

**Note to Schedule**

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

**BUDGETARY COMPARISON SCHEDULE - OCALI CHARTER HIGH SCHOOL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**CLEAR CHOICE ACADEMIES, INC.**  
*(A Component of the Marion County District School Board)*  
**OCALA, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis (A)</u>	
<b>Revenues</b>				
Revenue:				
Florida Education Finance Program	\$ 1,715,899	\$ 1,028,763	\$ 1,046,848	\$ 18,085
Other Local Revenue	119,514	17,581	16,839	(742)
<b>Total Revenues</b>	<u>1,835,413</u>	<u>1,046,344</u>	<u>1,063,687</u>	<u>17,343</u>
<b>Expenditures</b>				
Current:				
Instruction	967,391	630,128	625,975	4,153
General Support	861,794	716,885	390,034	326,851
Community Service	-	4,755	4,755	-
Maintenance Plant	3,974	15,232	15,231	1
Debt Service	-	351,239	351,239	-
<b>(Total Expenditures)</b>	<u>(1,833,159)</u>	<u>(1,718,239)</u>	<u>(1,387,234)</u>	<u>331,005</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	2,254	(671,895)	(323,547)	348,348
<b>Beginning Fund Balance</b>	<u>349,717</u>	<u>479,300</u>	<u>(402,840)</u>	<u>(882,140)</u>
<b>Ending Fund Balance</b>	<u>\$ 351,971</u>	<u>\$ (192,595)</u>	<u>\$ (726,387)</u>	<u>\$ (533,792)</u>

**Note to Schedule**

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

## **ADDITIONAL INFORMATION**

**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***

To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

We have audited, 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, the financial statements of the governmental activities and each major fund of Clear Choice Academies, Inc. (the Corporation) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated December 1, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

**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***

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

December 1, 2025  
Ocala, Florida

## MANAGEMENT LETTER

To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

### Report on the Financial Statements

We have audited the financial statements of Clear Choice Academies, Inc. (the Corporation) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 1, 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 December 1, 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. Corrective findings have not been taken to address findings and recommendations made in the preceding annual financial report.

Tabulation of Uncorrected Findings	
Current Year Finding No.	2023-24 FY Finding No.
2025-1	2024-1

### Official Title

Section 10.854(1)(e)5, *Rules of the Auditor General*, requires 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 of the entity is Clear Choice Academies, Inc.; d/b/a Ocali Charter Middle School; d/b/a Ocali Charter High School; and the Florida Department of Education issued school codes are 9695 and 9696.

### 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 Corporation has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Corporation did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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To the Board of Directors  
Clear Choice Academies, Inc.  
Ocala, Florida

## MANAGEMENT LETTER

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 Corporation. It is management's responsibility to monitor the Corporation'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 included Management Letter Comment 2025-1.

### 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 Corporation maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Corporation maintained on its website 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 non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred or is likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance.

### 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, the local District School Board, and the Board of Directors, and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

December 1, 2025  
Ocala, Florida

## MANAGEMENT LETTER COMMENTS

### 2025-1 Financial Reporting and Close

During the current-year audit, we noted that Clear Choice Academies, Inc. (the Corporation) has made progress in its year-end closing process, including more timely preliminary trial balances and improved reconciliation support. At the same time, the overall closing routine would benefit from additional structure and coordination, particularly given the Corporation's reliance on an outsourced accounting firm for bookkeeping and closing activities.

We further noted that several closing-related journal entries were provided after submission of the trial balance and continued into early September, which resulted in certain adjustments being received after planned fieldwork and after the draft financial statements were due to the school district. Improving the timing and documentation of closing activities would support a more efficient audit process and help ensure that required reporting deadlines are consistently met.

Continued refinement of the period-end closing routine and establishing more precise timelines with the outsourced accounting firm will help sustain the progress already made and further strengthen the accuracy and effectiveness of year-end financial reporting.

*Purvis Gray*

December 1, 2025  
Ocala, Florida

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December 4, 2025

To the Board of Directors  
Clear Choice Academies, Inc.

Re: Audit Management Letter Response



## 2025 - 1 Financial Reporting and Close

We appreciate the auditors' continued attention to the Organization's year-end closing procedures. Over the past year, the Organization has made improvements to its financial closing and reporting process, and the following outlines the steps that we will implement or continue to implement as the year progresses.

- **Documented Closing Procedures:** The Corporation, in coordination with the new account manager, established formal year-end closing procedures for the 2024–2025 fiscal year. A comprehensive year-end closing checklist outlining all required tasks, responsible parties, and completion deadlines is being developed and will be documented and maintained for use in the upcoming fiscal year to ensure consistency and accountability in the closing process.
- **Timelines and Monthly Reconciliations:** Regular monthly reconciliations of all significant balance sheet accounts are being completed and reviewed. A formal closing timetable has been established to ensure timely completion of all reconciliations and financial reporting tasks. The organization's bookkeeper posts all accounting entries and uploads the QuickBooks files to the outsourced accountant by the **third day of each month**. The accountant then completes the monthly financial statements by the **tenth day of the month** and sends them to CCA management for review and approval.
- **Review and Approval Process:** A formal review and approval process is being established with the new account manager at the accountant's office, effective January 1, 2026. Under this updated process, the outsourced accountant prepares the financial reports, which are then thoroughly reviewed and scrubbed by management for accuracy prior to finalization and distribution. Upon approval management will sign off by the **twelfth day of the month** and will send the approved documents to appropriate entities.

On a quarterly basis the treasurer of the board will present the approved financial documents to the Board of the Directors for final review and approval.

Management has worked in conjunction with the firm to ensure that these steps will result in an efficient, accurate, and timely closing process that will satisfy the stated concern of the firm.

While we value the observations noted in the audit, we do not believe the comment regarding the timing and structure of our year-end closing process is fully justified. The Corporation completed its year-end closing in accordance with established procedures and within the expected timeframe, and we have consistently demonstrated progress through more timely preliminary trial balances and strengthened reconciliation support. It appears that the timeline for certain closing activities was perceived differently by each party, which may have contributed to the concern raised about journal entries submitted after the trial balance. We acknowledge the importance of continuous improvement and will continue to refine our coordination with the outsourced accounting firm; however, we maintain that the Corporation's current year-end closing process is functioning effectively and in alignment with sound financial management practices.

Respectfully submitted,

Susan Kile  
Chairman of the Board  
Clear Choice Academies, Inc.

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