

**SUNSHINE HIGH SCHOOL – ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

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

**June 30, 2025**



**McCRADY & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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**SUNSHINE HIGH SCHOOL – ORANGE COUNTY CAMPUS  
d/b/a SHEELER HIGH SCHOOL**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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Management of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School (the “School”) offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025.

Management’s discussion and analysis is included at the beginning of the School’s basic financial statements to provide the past and current position of the School’s financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and required supplementary information.

**FINANCIAL HIGHLIGHTS**

- ❖ The School earned a school improvement rating (SIR) of “Commendable”, the highest possible rating by the Florida Department of Education.
- ❖ Sheeler High School is managed by Second Mile Education.
- ❖ The School’s net position for the fiscal year ended June 30, 2025 is approximately \$580,000.
- ❖ Total governmental fund balance at the end of fiscal 2025 is approximately \$480,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to School’s basic financial statements. The School’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other Required Supplementary Information that will enhance the understanding of the financial condition of School. This document also includes the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*, as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

**Government-Wide Financial Statements**

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

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

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

## **Fund Financial Statements**

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

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

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

## **Notes to Financial Statements**

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

This report also includes the 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*, as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

## GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

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

### Governmental Activities

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Current and other assets	\$ 797,827	\$ 871,294	\$ (73,467)
Capital assets, net	169,892	221,404	(51,512)
Right to use asset, net	2,169,444	2,283,625	(114,181)
Total Assets	<u>3,137,163</u>	<u>3,376,323</u>	<u>(239,160)</u>
Current and other liabilities	322,774	369,940	(47,166)
Long-term liabilities	2,231,045	2,283,625	(52,580)
Total Liabilities	<u>2,553,819</u>	<u>2,653,565</u>	<u>(99,746)</u>
Net positions:			
Invested in capital assets, net of related debt	169,892	221,404	(51,512)
Unrestricted	<u>413,452</u>	<u>501,354</u>	<u>(87,902)</u>
Total Net Positions	<u>\$ 583,344</u>	<u>\$ 722,758</u>	<u>\$ (139,414)</u>

The change in current and other assets is due to a decrease in receivables from the Elementary and Secondary School Emergency Relief funds. The decrease in capital assets is due to depreciation expense exceeding amounts invested in capital assets in fiscal 2025. The decrease in right to use asset and long-term liabilities is a result of amortization and monthly lease payments applied against the lease asset and liability. The decrease in current and other liabilities is due to the timing of expense payments. Total net position decreased due to the current year operating deficit.

## Changes in Net Positions

The School's total expenses exceeded total revenues by approximately \$139,000 in fiscal year 2025. In fiscal year 2024, total revenues exceeded total expenses by approximately \$115,000 — see table below.

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Revenue:			
Federal sources passed through local school district	\$ 208,815	\$ 400,972	\$ (192,157)
State and local sources	3,301,402	3,037,150	264,252
Contributions and other revenue	19,636	16,674	2,962
Total revenues	<u>3,529,853</u>	<u>3,454,796</u>	<u>75,057</u>
Expenses:			
Instruction	1,111,816	1,102,620	9,196
Pupil personnel support	267,334	243,776	23,558
Board	16,634	7,616	9,018
General administration	141,580	136,367	5,213
School administration	1,471,356	1,378,811	92,545
Fiscal services	8,400	10,100	(1,700)
Transportation	33,184	18,380	14,804
Operation of plant	544,835	437,338	107,497
Maintenance of plant	6,338	4,775	1,563
Interest	67,790	-	67,790
Total expenses	<u>3,669,267</u>	<u>3,339,783</u>	<u>329,484</u>
Changes in net positions	<u>\$ (139,414)</u>	<u>\$ 115,013</u>	<u>\$ (254,427)</u>

The decrease in federal sources passed through local school district is due to a decrease in Elementary and Secondary School Emergency Relief funds. The increase in state and local sources is due to an increase in Florida Education Finance Program, Florida School Recognition, and Local Capital Improvement funding. The increase in school administration is due to an increase in management fees. Operation of plant increased due to an increase in building repair and maintenance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2025 and 2024, the School invested approximately \$170,000 and \$220,000 respectively, in capital assets net of accumulated depreciation.

Comparative information regarding the School's capital assets is as follows:

	<b>Governmental Activities</b>		<b>Variance</b>
	<b>2025</b>	<b>2024</b>	
Leasehold improvements	\$ 188,562	\$ 188,562	-
Furniture, fixtures and equipment	462,979	438,069	24,910
Vehicles	56,324	56,324	-
	<u>707,865</u>	<u>682,955</u>	<u>24,910</u>
Less-accumulated depreciation	(537,973)	(461,551)	(76,422)
Total capital assets	\$ <u>169,892</u>	\$ <u>221,404</u>	<u>(51,512)</u>

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

### Lease Asset and Liabilities

The School's right to use asset for the year ended June 30, 2025 of \$2,169,444, net of accumulated amortization of \$114,181 is composed entirely of the School's facility lease.

Debt for the year ended June 30, 2025 of \$2,231,045 is composed of the School's facility lease obligation. Beginning July 1, 2024, the School began paying monthly principal and interest payments, plus periodic increases stipulated in the lease agreement. More detailed information about the School's lease liability is presented in Note 5 to the financial statements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the School did not amend its budget. Generally, budget amendments fall into one of the following three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize the changes in funding amounts and 3) changes in appropriations that become necessary to maintain services.

In the general fund, actual revenues were greater than budgeted amounts by approximately \$50,000. Actual expenditures were approximately \$110,000 greater than budgeted amounts, exclusive of other financing sources (uses).

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

### **Budget Highlights for the Fiscal Year Ending June 30, 2026**

Amounts available for appropriation in the general fund are approximately \$2,960,000, a decrease of approximately \$120,000 from the actual 2025. Florida School Recognition and Local Capital Improvement revenues are expected to decrease in 2026.

Budgeted general fund expenditures are expected to decrease to approximately \$2,930,000, a decrease of approximately \$180,000 from the actual 2025. If these estimates are realized, the School's general fund balance is expected to increase by approximately \$30,000 at the conclusion of 2026.

## **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact Second Mile Education, 5850 T.G. Lee Blvd., Suite 345, Orlando, FL 32822.



## Independent Auditor's Report

To the Board of Directors of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School, a Charter School and Component Unit of the District School Board of Orange County, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School (the "School"), a Charter School and Component Unit of the District School Board of Orange County, Florida as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School, a Charter School and Component Unit of the District School Board of Orange County, Florida, as of and for the year ended June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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

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

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

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

## **Required Supplementary Information**

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

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 4, 2025

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**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

**A Charter School and Component Unit of the  
District School Board of Orange County, Florida  
Statement of Net Position**

**June 30, 2025**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 627,068
Due from other governmental agencies	170,759
Capital assets:	
Leasehold improvements	188,562
Furniture, fixtures, and equipment	462,979
Vehicles	56,324
Less accumulated depreciation	(537,973)
Total capital assets, net	169,892
Right to use asset:	
Property lease	2,283,625
Less accumulated amortization	(114,181)
Total right to use asset, net	2,169,444
Total assets	\$ 3,137,163
<b>LIABILITIES</b>	
Due to management company	\$ 322,774
Long-term liabilities:	
Portion due or payable within one year	
Lease obligations	57,841
Portion due or payable after one year:	
Lease obligations	2,173,204
Total liabilities	2,553,819
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	169,892
Unrestricted	413,452
Total net position	583,344
Total liabilities and net position	\$ 3,137,163

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

**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

**Statement of Activities**

**For the Year Ended June 30, 2025**

	<b>Expenses</b>	<b>Program Specific Revenues</b>			<b>Net (Expenses)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenues and Changes in Net Position</b>
					<b>Governmental Activities</b>
Governmental Activities:					
Instruction	\$ 1,111,816	\$ -	\$ 81,040	\$ -	\$ (1,030,776)
Pupil personnel support	267,334	-	43,927	-	(223,407)
Board	16,634	-	-	-	(16,634)
General administration	141,580	-	-	-	(141,580)
School administration	1,471,356	-	23,137	40,000	(1,408,219)
Fiscal services	8,400	-	-	-	(8,400)
Transportation	33,184	-	-	-	(33,184)
Operation of plant	544,835	-	35,801	71,881	(437,153)
Maintenance of plant	6,338	-	-	6,125	(213)
Interest	67,790	-	-	67,790	-
<b>Total primary government</b>	<b>\$ 3,669,267</b>	<b>\$ -</b>	<b>\$ 183,905</b>	<b>\$ 185,796</b>	<b>(3,299,566)</b>
General revenues:					
					24,910
Federal sources					3,115,606
State and local sources					19,636
Other revenue sources					<u>3,160,152</u>
Total general revenues					
					(139,414)
Changes in net position					<u>722,758</u>
Net position at beginning of year					
Net position at end of year					<u>\$ 583,344</u>

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

**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

**Balance Sheet - Governmental Funds**

**June 30, 2025**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 627,068	\$ -	\$ -	\$ 627,068
Due from other governmental agencies	19,550	16,546	134,663	170,759
Due from other funds	151,209	-	-	151,209
	<b>\$ 797,827</b>	<b>\$ 16,546</b>	<b>\$ 134,663</b>	<b>\$ 949,036</b>
<b>LIABILITIES</b>				
Due to management company	\$ 322,774	\$ -	\$ -	\$ 322,774
Due to general fund	-	16,546	134,663	151,209
	<b>322,774</b>	<b>16,546</b>	<b>134,663</b>	<b>473,983</b>
<b>FUND BALANCE</b>				
Spendable:				
Unassigned	475,053	-	-	475,053
	<b>475,053</b>	<b>-</b>	<b>-</b>	<b>475,053</b>
Total fund balances	<b>475,053</b>	<b>-</b>	<b>-</b>	<b>475,053</b>
Total liabilities and fund balance	<b>\$ 797,827</b>	<b>\$ 16,546</b>	<b>\$ 134,663</b>	<b>\$ 949,036</b>

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

**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

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

**June 30, 2025**

**Total fund balances - governmental funds** \$ 475,053

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

Capital and right to use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. Net capital and right to use assets at year end are as follows:

Capital assets	707,865
Accumulated depreciation	(537,973)
Right to use asset	2,283,625
Accumulated amortization	(114,181)

Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end are as follows:

Lease obligations	<u>(2,231,045)</u>
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**Total net position - governmental activities** \$ 583,344

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

**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

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

**For the Year Ended June 30, 2025**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ -	\$ 208,815	\$ 208,815
State and local sources	3,063,026	238,376	-	3,301,402
Contributions and other revenues	19,636	-	-	19,636
Total revenues	<u>3,082,662</u>	<u>238,376</u>	<u>208,815</u>	<u>3,529,853</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	989,830	-	81,040	1,070,870
Pupil personnel support	223,407	-	43,927	267,334
Board	16,634	-	-	16,634
General administration	141,580	-	-	141,580
School administration	1,408,219	40,000	23,137	1,471,356
Fiscal services	8,400	-	-	8,400
Transportation	21,919	-	-	21,919
Operation of plant	298,761	71,881	35,801	406,443
Maintenance of plant	213	6,125	-	6,338
Capital outlay	-	-	24,910	24,910
Debt service:				
Principal		52,580		52,580
Interest		67,790		67,790
Total expenditures	<u>3,108,963</u>	<u>238,376</u>	<u>208,815</u>	<u>3,556,154</u>
Excess of revenues (expenditures)	<u>(26,301)</u>	<u>-</u>	<u>-</u>	<u>(26,301)</u>
Fund balance at beginning of year	<u>501,354</u>	<u>-</u>	<u>-</u>	<u>501,354</u>
Fund balance at end of year	<u>\$ 475,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,053</u>

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

**SUNSHINE HIGH SCHOOL - ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

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

**For the Year Ended June 30, 2025**

**Net changes in fund balances - total governmental funds** **\$ (26,301)**

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 capital or right to use assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. The amounts incurred in the year ended June 30, 2025 are as follows:

Capital outlays	24,910
Depreciation expense	(76,422)
Amortization expense	(114,181)

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

52,580

**Change in net position of governmental activities** **\$ (139,414)**

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

**SUNSHINE HIGH SCHOOL – ORANGE COUNTY CAMPUS, INC.**  
**d/b/a**  
**SHEELER HIGH SCHOOL**

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

**Notes to Financial Statements**

**For the Year Ended June 30, 2025**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School (the “School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors (the “Board”), which is composed of four members. The School has retained a management company to operate the School (see Note 6).

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Palm Beach County Florida, (the “School Board”). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board (“GASB”).

The School developed a philosophy of recognizing and rewarding each student as an individual. Therefore the education program, goals and objectives, and methods of accountability toward the objectives, must be set according to the situation of each individual student.

The School has selected a self-paced, mastery based, accelerated learning program as the model to implement this philosophy. The goal of the School is to provide, for students that might not be best suited for traditional schools, a school program and educational opportunities. These students include, but are not limited to, drop-outs or those in danger of dropping out, students needing more remedial support or individual instruction than can be obtained in a traditional high school, and students with family or other situations that prevent attending a regular scheduled program at traditional high schools.

**Charter Contract**

The School operates under a charter granted by the Orange County School Board (the “School Board”). The current charter expires on June 30, 2028 and may be renewed an additional fifteen years, unless a longer term is required by law or by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. However, the School Board may terminate the current charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert to the School Board.

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**Basis of Presentation**

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

**Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School’s financial position, its assets and its liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School’s governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

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

**Fund Financial Statements**

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

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

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

For the purpose of these statements, the general and capital projects funds are considered major funds. Special revenue and debt service are non-major funds and reported as other governmental funds.

**Basis of Accounting**

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

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

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days after the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Revenue recognition is determined per each grant on the basis of the requirements of each grant.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the acquisition of long-term debt are reported as other financing sources.

**Budgetary Basis Accounting**

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

**Cash and Cash Equivalents**

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

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All deposits should be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. Every qualified public depository institution should maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability of the institution to guarantee deposits made by members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2025.

**Interfund receivables and payables**

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund recorded a receivable of \$151,209, and the capital projects and other governmental funds recorded payables of \$16,546 and \$134,663, respectively, which relate to the amounts due from other governmental agencies (as described in Note 3), for amounts paid by the general fund on behalf of the capital projects and other governmental funds.

**Capital Assets and Depreciation**

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date donated. The School capitalizes assets with a cost of \$1,000 or more. Expenditures of normal maintenance and repair that do not add to the asset value or extend the useful life are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Leasehold improvements	5 - 10
Furniture, fixtures, and equipment	3 - 7
Vehicle	5

Information related to the change in capital assets is described in Note 4.

**Net Position and Fund Balance Classifications**

*Government-wide financial statements*

The net position is classified and reported in four components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are specifically attributed to the acquisition or improvement of those assets.

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- Investment in right to use assets, net of related debt – consists of right to use or leased assets, net of accumulated amortization, and reduced by the outstanding balances of any borrowings that are specifically attributed to the acquisition of those leased assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments. As of June 30, 2025, the School did not have any restricted amounts.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund financial statements*

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

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

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

**Order of Fund Balance Spending Policy**

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

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**Revenue Sources**

Revenues for operations are received primarily from the School Board, pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 5% administrative fee from the School, which is withheld from the respective Florida Education Finance Program (FEFP) payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

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

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2024, the School reported 329.42 unweighted FTE.

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

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

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**Use of Estimates**

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. The School utilizes estimates which include, but are not limited to, depreciation, amortization, incremental borrowing rates, and evaluation of receivables from governmental agencies. Actual results could differ significantly from those estimates.

**Recently Issued Accounting Pronouncements**

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

**Subsequent Events**

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 4, 2025, which is the date the financial statements were available to be issued.

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**2 FAIR VALUE MEASUREMENTS**

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

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

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

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

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

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

**3 DUE FROM OTHER GOVERNMENTAL AGENCIES**

Due from other governmental agencies of \$170,759, included in the accompanying financial statements is composed of \$17,801 of Title IV, \$16,546 of capital outlay, and \$114,197 of 21<sup>st</sup> Century, \$19,550 of Workforce Development Capitalization, and \$2,665 of Safety and Security grant funds receivable from the School Board. Based on the nature of the grants, allowability of expenses for which reimbursement is requested, sources of funds, and benchmarking with similar organizations with similar grant requests, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

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**4 CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital assets:</b>				
Leasehold improvements	\$ 188,562	\$ -	\$ -	\$ 188,562
Furniture, fixtures, and equipment	438,069	24,910	-	462,979
Vehicles	56,324	-	-	56,324
Total capital assets	<u>682,955</u>	<u>24,910</u>	<u>-</u>	<u>707,865</u>
<b>Accumulated depreciation:</b>				
Leasehold improvements	(86,842)	(24,211)	-	(111,053)
Furniture, fixtures, and equipment	(370,015)	(40,946)	-	(410,961)
Vehicles	(4,694)	(11,265)	-	(15,959)
Total accumulated depreciation	<u>(461,551)</u>	<u>(76,422)</u>	<u>-</u>	<u>(537,973)</u>
Capital assets, net	<u>\$ 221,404</u>	<u>\$ (51,512)</u>	<u>\$ -</u>	<u>\$ 169,892</u>

**Depreciation expense:**

Instruction	\$ 40,946
Transportation	11,265
Operation of plant	24,211
Total governmental activities depreciation expense	<u>\$ 76,422</u>

Depreciation expense is allocated to the above expenditures in the accompanying statement of activities.

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

- Computers - \$24,910

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**5 LEASE ASSET AND LIABILITY**

During 2024, the School’s facility lease was assigned from the management company to the School. The lease commences July 1, 2024, expires June 30, 2029, and includes three (3) options to extend for five (5) years each. Minimum lease payments for the year ended June 30, 2025 are \$120,370 and increase 3% annually through June 30, 2029. Lease payments then increase 10% at the start of each new five-year renewal period.

Adhering to the requirements of GASB 87, the School is required to record a lease asset and liability valued at the net present value of total lease payments, including extensions, it expects to exercise. The School’s right to use asset and lease obligation of \$2,283,625 were recorded as of June 30, 2024. Information regarding the School’s lease activity during fiscal year 2025 is as follows:

Right to Use Asset:

Right to use asset as of July 1, 2024	\$	2,283,625
Amortization of right to use asset for the year ended June 30, 2025		<u>(114,181)</u>
Right to use asset, net as June 30, 2025	\$	<u>2,169,444</u>
Lease note payable as of June 30, 2025	\$	<u><u>2,231,045</u></u>

Amortization of the right to use asset is calculated using the straight-line method over the lease term beginning July 1, 2024. Amortization expense of \$114,181 for fiscal 2025 is included in operation of plant. Lease payments will be allocated to principal and interest as noted below. Future minimum lease payments including annual increases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 57,841	\$ 66,140	\$ 123,981
2027	63,371	64,329	127,700
2028	69,183	62,349	131,532
2029	75,287	60,190	135,477
2030	91,313	57,712	149,025
2031-2035	515,063	244,965	760,028
2036-2040	680,100	155,931	836,031
2041-2044	678,887	42,395	721,282
Totals	<u>\$ 2,231,045</u>	<u>\$ 754,011</u>	<u>\$ 2,985,056</u>

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**6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

The following is a schedule of state and local revenue sources:

**District School Board of Orange County, Florida:**

Florida Education Finance Program (FEFP)	\$ 1,804,911
Special Millage	329,707
Class size reduction	305,606
Discretionary millage funds	217,306
Capital outlay - PECO	204,242
Local capital improvement	89,598
Educational enrichment	78,624
Florida transportation	59,618
Florida school recognition	45,102
ESE guaranteed allocation	44,075
Safe schools	37,581
Capital outlay - FEFP	34,134
Compression adjustment	28,169
Mental health assistance allocation	20,289
Workforce development capitalization	19,550
Educational enrollment stabilization program	3,722
State bonus	54
Proration to appropriation	<u>(20,886)</u>
 Total	 <u><u>\$ 3,301,402</u></u>

The administrative fee paid to the School Board during the year ended June 30, 2025 totaled approximately \$142,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

**7 MANAGEMENT AGREEMENT**

The School entered into a contractual agreement with Community Education Partners, Inc. to provide management and consulting services for the School. The original agreement commenced on October 3, 2008 with Community Education Partners, Inc. and was assumed by Accelerated Learning Solutions, Inc. on January 1, 2015. On May 22, 2020, the agreement was assumed by ALS Education, LLC (the “Company”), a Delaware Limited Liability Company d/b/a Second Mile Education. The term of the agreement shall continue until June 30, 2028 and will automatically renew to coincide with the term of the charter (see note 1). Under the terms of the agreement, the School shall pay a monthly continuing fee to the Company of ninety seven percent (97%) of the School’s qualified gross revenues as defined by the agreement. Qualified gross revenues include various state, federal and local source revenues with certain exceptions. Qualified gross revenues exclude student fees, PTA/PTO income and any state or federal funding that is meant to be a reimbursement of expenditures on a dollar for dollar basis. The School will pay the

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Company 100% of all contributions and grants not specifically referenced above received by the School as a result of the Company's efforts, which are to assist in the implementation of the educational program, model and /or the day-to-day operations of the School. In return for the fees the Company shall be responsible for providing the educational model, salaries for all personnel, costs for curriculum materials, textbooks, library books, facilities, computers and other equipment, software, supplies, maintenance and capital improvements of the School.

The contract may be terminated by the School for non-renewal of the charter with the School Board and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material changes in federal or state funding, damages to the school facility that make School operations unfeasible, uneconomical or impractical, as long as such notification comes within sixty (60) days after the occurrence that caused such situation. If the contract is terminated by the Company after the beginning of the school year, the termination will not be effective until the end of that school year.

Upon termination of the agreement, the School has the right to have all real and personal property leases related to the School assigned to and assumed by the School, as long as the lease permits assignment. The School also has the right to purchase all personal property and leasehold improvements owned by the Company and used exclusively or primarily in connection with School operations at the asset's "net book value", which shall be calculated based on the estimated useful lives and straight line method of depreciation.

For the year ended June 30, 2025, the Company provided to the School its resources and management services as outlined in the Management Agreement. The School incurred approximately \$904,000 of management fees and reimbursement of expenses paid by the Company on behalf of the School that are reflected as a school administration expense/expenditure in the accompanying statements of activities and statement of revenues, expenditures and changes in fund balances-governmental funds.

**Due to Management Company**

Due to management company of approximately \$323,000 is included in the accompanying financial statements. The amount due includes June management fees as well as expenses paid by the Company on behalf of the Board and School.

**8 RISK MANAGEMENT PROGRAM**

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

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**9 COMMITMENTS AND CONTINGENT LIABILITIES**

**Retirement benefits**

The School does not provide post-retirement benefits to retired employees. All employees are employees of the management company and benefits are the management company's sole responsibility.

**Grants**

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

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

**Legal Matters**

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

**10 RELATED PARTIES**

The School is related to Florida High School for Accelerated Learning – Sunshine High School Orlando Campus, Inc., Orange County Campus Inc., Central Orange County Campus Inc. and Greater Orlando Campus, Inc. d/b/a Econ River High School, Chancery High School, Aloma High School, and Sunshine High School, respectively, by common Board of Governors. The Schools share certain board costs throughout the year.

**11 INCOME TAXES**

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

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**Required Supplementary Information**

**Budgetary Comparison Schedule - General Fund**

**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive (Negative) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State and local sources	\$ 3,012,356	\$ 3,012,356	\$ 3,063,026	\$ 50,670
Contributions and other revenues	18,792	18,792	19,636	844
Total revenues	<u>3,031,148</u>	<u>3,031,148</u>	<u>3,082,662</u>	<u>51,514</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	792,548	792,548	989,830	(197,282)
Pupil personnel support	242,828	242,828	223,407	19,421
Board	42,600	42,600	16,634	25,966
General administration	122,057	122,057	141,580	(19,523)
School administration	1,475,828	1,475,828	1,408,219	67,609
Fiscal services	12,200	12,200	8,400	3,800
Transportation	15,209	15,209	21,919	(6,710)
Operation of plant	286,860	286,860	298,761	(11,901)
Maintenance of plant	5,447	5,447	213	5,234
Total expenditures	<u>2,995,577</u>	<u>2,995,577</u>	<u>3,108,963</u>	<u>(113,386)</u>
Net changes in fund balance	35,571	35,571	(26,301)	<u>\$ (61,872)</u>
Fund balances at beginning of year	<u>501,354</u>	<u>501,354</u>	<u>501,354</u>	
Fund balances at end of year	<u>\$ 536,925</u>	<u>\$ 536,925</u>	<u>\$ 475,053</u>	

**SUNSHINE HIGH SCHOOL  
- ORANGE COUNTY CAMPUS, INC.  
d/b/a SHEELER HIGH SCHOOL**

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

**Notes to Required Supplementary Information**

**1. BUDGETARY BASIS OF ACCOUNTING**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based  
On an Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards***

To the Board of Directors of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School, a Charter School and Component Unit of the District School Board of Orange County, Florida

**Report on the Financial Statements**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information for Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School, a Charter School and Component Unit of the District School Board of Orange 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 4, 2025.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **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 determination of financial statement amounts. 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.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 4, 2025

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



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

To the Board of Directors of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School, a Charter School and Component Unit of the District School Board of Orange County, Florida

We have audited the financial statements of Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School (the “School”) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 4, 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 Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, if applicable, which is dated, September 4, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title**

Section 10.854(1)(e)5. Rules of the Florida Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Sunshine High School – Orange County Campus, Inc. d/b/a Sheeler High School. The school code is 480084.

**Financial Condition and Management**

Sections 10.854(1)(e)2., and 10.855(11). Rules of the Florida Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Florida 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 Florida 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 Florida 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 Florida Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 4, 2025

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