

The One Room School House Project, Inc.

A Component Unit of the Alachua County District School Board

Financial Statements
And
Independent Auditors' Reports

June 30, 2025

KATTELL AND COMPANY, P.L.

Certified Public Accountants Serving the Nonprofit Community

**808-B NW 16th Avenue
Gainesville, Florida 32601**

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Financial Statements and Independent Auditors' Reports

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The One Room School House Project, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of The One Room School House Project (the School), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter – Special Purpose Financial Statements

We draw attention to Note 1 to the financial statements which explains that these financial statements are for the One Room School House Project only and are not intended to present the financial position, changes in net assets or cash flows of One Room School House Project, Inc. As a result, these financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 GAAS 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.

Report on the Audit of the Financial Statements (concluded)

Auditors' Responsibilities for the Audit of the Financial Statements (concluded)

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Kattell and Company, P.C.

Gainesville, Florida
October 23, 2025

"Not everything that counts can be counted, and not everything that can be counted counts."
-Albert Einstein

Management's Discussion and Analysis

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

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

The following are various financial highlights for fiscal year 2025:

- The School's overall net position increased by approximately \$605,000, which is about 36%.
- Total ending unrestricted net position was approximately \$1,449,000.
- The School had total expenses for the year of about \$2,297,000 compared to revenues of approximately \$2,902,000.
- The School educated 176 students in 2025 and 187 students in 2024 serving grades K through 5. The School also provided Voluntary Pre-Kindergarten Services to 30 and 32 students in 2025 and 2024, respectively. In addition, the School provided Pre-Kindergarten Services to 11 and 10 three-year-olds in 2025 and 2024, respectively.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the School'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 School'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 School'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 School.

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

Fund Financial Statements

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

The School maintains three individual governmental funds, the General Fund, Special Revenue Fund and Capital Projects Fund. These funds are considered to be major funds and, accordingly, they are separately displayed.

Governmental 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 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.

Management's Discussion and Analysis

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

CONDENSED FINANCIAL INFORMATION

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

	2025 Governmental Activities	2024 Governmental Activities
Net Position		
Assets:		
Non-capital Assets	\$ 1,539,680	\$ 913,273
Capital Assets, Net	1,643,695	1,707,821
Total Assets	<u>3,183,375</u>	<u>2,621,094</u>
Liabilities:		
Current Liabilities	90,792	79,431
Long Term Liabilities	822,076	876,658
Total Liabilities	<u>912,868</u>	<u>956,089</u>
Net Position:		
Net Invested in Capital Assets	821,619	831,163
Unrestricted	1,448,888	833,842
Total Net Position	<u>\$ 2,270,507</u>	<u>\$ 1,665,005</u>
Change in Net Position		
Program Revenues:		
Charges for Services	\$ 265,588	\$ 248,320
Operating Grants	81,151	88,318
Capital Grants & Contributions	158,071	133,446
General Revenues:		
Federal	627,567	95,480
Federal through State	155,255	159,288
State	1,381,354	1,431,100
District School Taxes	188,328	106,739
Investment Earnings	29,667	27,930
Unrestricted Grants & Contributions	15,367	13,051
Total Revenues	<u>2,902,348</u>	<u>2,303,672</u>
Program Expenses:		
Instruction	1,001,118	1,138,108
Instructional Support Services	64,349	78,557
General Support	705,974	558,051
Operation of Plant	285,351	307,194
Community Service	205,502	152,488
Interest on Long Term Debt	34,552	36,813
Total Expenses	<u>2,296,846</u>	<u>2,271,211</u>
Change in Net Position	605,502	32,461
Beginning Net Position	1,665,005	1,632,544
Ending Net Position	<u>\$ 2,270,507</u>	<u>\$ 1,665,005</u>

Management's Discussion and Analysis

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated \$504,810 in program revenues and \$2,397,538 of general revenues, and incurred \$2,296,846 of program expenses. This resulted in a \$605,502 increase in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund increased by \$615,046 from \$833,842 to \$1,448,888.

Special Revenue Fund. The fund balance of the Special Revenue Fund remained at \$0 which means that all grant funds were spent during the year. This is expected due to the nature of the Title I grant funds.

Capital Projects Fund. The fund balance of the Capital Projects Fund remained at \$0. All revenues for the year were expended on eligible costs.

BUDGETARY HIGHLIGHTS

General Fund. There were significant differences between the original budget and the final budget, in that the School did not budget for the Earned Income Credit revenue. There were no differences between the final budget and actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The School had no significant capital asset activity. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the School's capital asset activity.

Debt Administration. The School issued no new debt and made the scheduled payments on the existing debt. Please refer to a note to the accompanying financial statements entitled *Long-Term Liabilities* for more detailed information about the School's long-term debt activity.

ECONOMIC FACTORS

The School is not aware of any conditions that are expected to have a significant effect on the School's financial position or results of operations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Robin Casey, Chief Financial Officer, 4180 NE 15th Street, Gainesville, Florida 32609.

Statement of Net Position
June 30, 2025
The One Room School House Project
A Component Unit of the Alachua County District School Board

	Governmental Activities
Assets	
Cash	\$ 701,482
Investments	714,290
Receivables	75,627
Prepaid Expenses	48,281
Capital Assets:	
Land	184,000
Depreciable Capital Assets, Net	<u>1,459,695</u>
Total Assets	<u>3,183,375</u>
Liabilities	
Accounts Payable	63,085
Salaries Payable	27,707
Long Term Debt:	
Due Within One Year	57,364
Due in More Than One Year	<u>764,712</u>
Total Liabilities	<u>912,868</u>
Net Position	
Net Investment in Capital Assets	821,619
Unrestricted	<u>1,448,888</u>
Total Net Position	<u>\$ 2,270,507</u>

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2025
The One Room School House Project
A Component Unit of the Alachua County District School Board

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Governmental Activities:					
Instruction	\$ (1,001,118)	\$ 7,096	\$ 81,151	\$ --	\$ (912,871)
Instructional Support Services	(64,349)	--	--	--	(64,349)
General Support	(705,974)	--	--	--	(705,974)
Operation of Plant	(285,351)	--	--	123,519	(161,832)
Community Services	(205,502)	258,492	--	--	52,990
Interest on Long Term Debt	(34,552)	--	--	34,552	--
Total	<u>\$ (2,296,846)</u>	<u>\$ 265,588</u>	<u>\$ 81,151</u>	<u>\$ 158,071</u>	<u>(1,792,036)</u>

General Revenues:

Federal:	
USAC E-Rate Grant	12,851
Employee Retention Credit	614,716
Federal through State:	
ARPA	13,415
Title I Grant	131,960
Other Grants	9,880
State Revenue:	
Florida Education Finance Program	1,378,354
Other State Revenue	3,000
District School Taxes	188,328
Investment Earnings	29,667
Unrestricted Grants and Contributions	<u>15,367</u>

Total General Revenues **2,397,538**

Change in Net Position **605,502**

Net Position – Beginning of Year **1,665,005**

Net Position – End of Year **\$ 2,270,507**

See accompanying notes.

Balance Sheet – Governmental Funds
June 30, 2025
The One Room School House Project
A Component Unit of the Alachua County District School Board

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 701,482	\$ --	\$ --	\$ 701,482
Investments	714,290	--	--	714,290
Receivables	75,627	--	--	75,627
Prepays	<u>48,281</u>	<u>--</u>	<u>--</u>	<u>48,281</u>
Total Assets	<u>\$ 1,539,680</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,539,680</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 63,085	\$ --	\$ --	\$ 63,085
Salaries Payable	<u>27,707</u>	<u>--</u>	<u>--</u>	<u>27,707</u>
Total Liabilities	90,792	--	--	90,792
Fund Balances:				
Non-spendable - Prepays	48,281	--	--	48,281
Unassigned	<u>1,400,607</u>	<u>--</u>	<u>--</u>	<u>1,400,607</u>
Total Fund Balances	<u>1,448,888</u>	<u>--</u>	<u>--</u>	<u>1,448,888</u>
Total Liabilities and Fund Balances	<u>\$ 1,539,680</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,539,680</u>

See accompanying notes.

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

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

Fund Balances – Total Governmental Funds	\$ 1,448,888
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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 reported in the governmental funds:

Capital Assets – Net of Accumulated Depreciation	1,643,695
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Long-term liabilities are not reported in the governmental funds:

Long Term Debt	<u>(822,076)</u>
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Net Position of Governmental Activities	<u><u>\$ 2,270,507</u></u>
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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

The One Room School House Project

A Component Unit of the Alachua County District School Board

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Federal:				
USAC E-Rate Grant	\$ 12,851	\$ --	\$ --	\$ 12,851
Employee Retention Credit	614,716	--	--	614,716
Federal through State:				
ARPA	13,415	--	--	13,415
Title I Grant	--	131,960	--	131,960
Other Federal through State Grants	--	9,880	--	9,880
State Revenue:				
Florida Education Finance Program	1,378,354	--	--	1,378,354
Public Education Capital Outlay	--	--	108,613	108,613
Voluntary Pre-Kindergarten	81,151	--	--	81,151
Other State Revenue	3,000	--	--	3,000
Local Revenue:				
District School Taxes	188,328	--	--	188,328
District Capital Improvement	--	--	49,458	49,458
School Age Child Care Fees	258,492	--	--	258,492
Other Local Revenues	52,130	--	--	52,130
Total Revenues	2,602,437	141,840	158,071	2,902,348
Expenditures and Changes in Fund Balances				
Expenditures:				
Current:				
Instruction	877,843	123,275	--	1,001,118
Instructional Support Services	55,136	9,213	--	64,349
General Support	641,721	127	--	641,848
Operation of Plant	216,414	--	--	216,414
Community Services	196,277	9,225	--	205,502
Capital Outlay	--	--	68,937	68,937
Debt Service:				
Principal	--	--	54,582	54,582
Interest	--	--	34,552	34,552
Total Expenditures	1,987,391	141,840	158,071	2,287,302
Change in Fund Balance	615,046	--	--	615,046
Fund Balances, July 1, 2024	833,842	--	--	833,842
Fund Balances, June 30, 2025	\$ 1,448,888	\$ --	\$ --	\$ 1,448,888

See accompanying notes.

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

For the Year Ended June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

Net Change in Fund Balance – Total Governmental Funds \$ 615,046

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 Expenditures for Capital Assets	12,230
Current Year Depreciation Expense	(76,356)

Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. Repayment of principal is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.

Current Year Principal Payments and Other Reductions	54,582
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Change in Net Position of Governmental Activities	<u><u>\$ 605,502</u></u>
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See accompanying notes.

Notes to the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 1 – REPORTING ENTITY

The One Room School House Project, Inc. (the Corporation) 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 Corporation is the Board of Directors.

Since its inception, the Corporation has operated the One Room School House Project (the “School”), an elementary charter school in Gainesville, Florida. During the year ended June 30, 2025, the Corporation began operating the One Room Academy (the Academy), a private school. These special purpose financial statements are those of the School only, and are not intended to present the financial position of the governmental activities and each major fund and the respective changes in financial position of the Corporation.

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 Alachua County District School Board (the District). The current charter is effective until June 30, 2029, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. 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 School 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.

Criteria for determining if other entities are potential component units of the School which should be reported with the School’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School 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.

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 School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities.

Any internal interfund activity has been eliminated from the government-wide financial statements.

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

Notes to the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (concluded)

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 School 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 governmental funds are used by the School:

General Fund – The General Fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Special Revenue Fund – The Special Revenue Fund is used to account for financial resources associated with grants that are restricted to operational uses.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources associated with grants that are restricted to capital uses.

In the accompanying fund financial statements, the General Fund, Special Revenue Fund and Capital Projects Fund are all considered to be major funds and, therefore, are separately displayed. The School has no nonmajor 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 School 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.

Cash

Cash consists of deposits in financial institutions. Such deposits qualify as public deposits and are insured by Florida's Public Deposits Program as defined in Section 280.02, Florida Statutes. The School has no policy regarding deposit custodial credit risk.

Notes to the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are recorded at fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as “non-spendable” in the funds financial statements to indicate that prepaids do not represent available expendable resources.

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$2,500 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. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 - 30
Furniture, Fixtures and Equipment	3

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 School during the designated full-time equivalent student survey periods. The School also receives other financial assistance. This assistance is generally based on applications submitted to and approved by the granting agency.

Compensated Absences

Any unused leave does not carry over from one year to the next. Therefore, no liability for compensated absences is recorded.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. In the fund financial statements, long-term liabilities are not reported in the governmental funds because governmental funds use the current financial resources measurement focus.

Notes to the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Net Position

Net Position represents the difference between assets and liabilities and is reported in three categories as hereafter described. *Net investment 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 their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. The balance of Net Position is reported as *unrestricted*.

When both restricted and unrestricted resources are available for use, it is the School'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.

Non-Spendable. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors.

Assigned. Assigned fund balance is defined as amounts that are constrained by the intent of the School's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The School has given the authority to assign fund balance to the School's Principal. Assigned fund balance includes spendable fund balance amounts established by the Principal that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Principal. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

Unassigned. Unassigned fund balance is the residual classification for the general fund.

It is the policy of the School that they will use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed the School will then use unassigned resources. The School does not have a formal policy requiring a minimum fund balance.

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 the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 3 – INVESTMENTS

The School's investments consist of the following:

	<u>2025</u>
Annuities Contract	\$ 614,290
Certificate of Deposit	<u>100,000</u>
Total Investments	<u>\$ 714,290</u>

In January 2025, the School invested \$600,000 in two five-year, fixed index annuity agreements with Capital City Investments. The annuities include a guaranteed principal provision and a guaranteed annual interest rate. Up to 10% can be withdrawn each year without a penalty. Surrender value at year end is \$569,527. Annuities are valued at contract value which approximates fair value. Fair value is measured using Level 2 inputs.

In March 2025, the School invested \$100,000 in a certificate deposit with a term of 13 months and an interest rate of 4.07 percent. Fair value is measured using Level 2 inputs. This certificate of deposit secures an Irrevocable Letter of Credit in support of the Academy, whose beneficiary is the Office of Independent Education and Parental Choice. The Letter of Credit expires on April 2, 2026.

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets not Being Depreciated:				
Land	\$ 184,000	\$ --	\$ --	\$ 184,000
Capital Assets Being Depreciated:				
Buildings	1,979,059	--	--	1,979,059
Furniture, Fixtures & Equipment	78,268	12,230	(2,434)	88,064
Total Capital Assets Being Depreciated	<u>2,057,327</u>	<u>12,230</u>	<u>(2,434)</u>	<u>2,067,123</u>
Accumulated Depreciation				
Buildings	491,551	65,969	--	557,520
Furniture, Fixtures & Equipment	41,955	10,387	(2,434)	49,908
Total Accumulated Depreciation	<u>533,506</u>	<u>76,356</u>	<u>(2,434)</u>	<u>607,428</u>
Net Capital Assets	<u>\$ 1,707,821</u>	<u>\$ (64,126)</u>	<u>\$ --</u>	<u>\$ 1,643,695</u>

Depreciation was charged to functions/programs as follows:

Instruction	\$ --
General Support	76,356
Total Depreciation Expense	<u>\$ 76,356</u>

NOTE 5 – RISK MANAGEMENT

The School is exposed to various risks of loss, including general liability, personal injury, workers' compensation, and errors and omissions. To manage its risks, the School has purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in the current and previous two years.

Notes to the Financial Statements

June 30, 2025

The One Room School House Project

A Component Unit of the Alachua County District School Board

NOTE 6 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance July 1, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2025</u>	Amount Due In 1 Year
Mortgage Note Payable	\$ 876,658	\$ --	\$ (54,582)	\$ 822,076	\$ 57,364

In January 2017, the School borrowed \$1,730,000 to purchase its facilities. In March 2022, the agreement with Capital City Bank was modified. The modified mortgage is amortized over 15 years, and carries a fixed rate of 4% for the first five years, with a monthly payment of \$7,428. The monthly payment increases to \$7,606 in year six with a variable rate based on changes in an independent index which is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year. The following is a schedule of future minimum debt services requirements:

Year Ending June 30,	Principal	Interest	Payment
2026	\$ 57,364	\$ 31,770	\$ 89,134
2027	60,236	29,431	89,667
2028	64,332	26,939	91,271
2029	66,953	24,318	91,271
2030	69,681	21,590	91,271
2031	72,519	18,752	91,271
2032	75,474	15,797	91,271
2033-2037	355,517	31,283	386,800
Total	<u>\$ 822,076</u>	<u>\$ 199,880</u>	<u>\$ 1,021,956</u>

NOTE 7 – COMMITMENTS

The School has a contract with Charter Schools of Florida for professional consulting services. The contract states the services will be provided for the next three years in the amount of \$60,000 per year.

NOTE 8 – CONTINGENCIES

The School is subject to occasional lawsuits and claims arising in the normal conduct of business. In the opinion of management, the ultimate disposition of these matters, if any, will not have a significant impact on the financial position of the School.

The School received \$614,716 from the U.S. Treasury under the Employee Retention Credit program. Management does not expect any material repayment following potential IRS review.

The School's \$100,000 certificate of deposit secures an irrevocable letter of credit issued on behalf of the Academy in favor of the Office of Independent Education and Parental Choice (OIEPC). The letter permits draws under its terms and expires April 2, 2026.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the School paid approximately \$9,000 in compensation to an employee who is related to the School's Principal. In addition, the School paid approximately \$57,000 to a business whose owner is related to the School's Chief Financial Officer.

Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2025
The One Room School House Project
A Component Unit of the Alachua County District School Board

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Revenues:			
Federal:			
USAC-Erate Grant	\$ 26,583	\$ 12,851	\$ 12,851
Employee Retention Credit	--	614,716	614,716
Federal through State:			
ARPA	--	13,415	13,415
State Revenue:			
Florida Education Finance Program	1,513,966	1,378,354	1,378,354
Voluntary Pre-Kindergarten Program	67,000	81,151	81,151
Other State Revenue	--	3,000	3,000
Local Revenue:			
District School Taxes	208,000	188,328	188,328
School Age Child Care Fees	210,000	258,492	258,492
Other Local Revenue	30,000	52,130	52,130
Total Revenues	2,055,549	2,602,437	2,602,437
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	901,660	877,843	877,843
Instructional Support Services	60,973	55,136	55,136
General Support	708,629	641,721	641,721
Operation of Plant	53,005	216,414	216,414
Community Services	166,466	196,277	196,277
Total Expenditures	1,890,733	1,987,391	1,987,391
Change in Fund Balance	164,816	615,046	615,046
Fund Balances, July 1, 2024	--	833,842	833,842
Fund Balances, June 30, 2025	\$ 164,816	\$ 1,448,888	\$ 1,448,888

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. A final budget amendment is made so that final budgeted amounts agree to actual amounts. The fund is the legal level of control.

Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended June 30, 2025
The One Room School House Project
A Component Unit of the Alachua County District School Board

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Revenues:			
Federal through State:			
Title I Grant	\$ 126,000	\$ 131,960	\$ 131,960
Other	9,279	9,880	9,880
Total Revenues	135,279	141,840	141,840
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	125,000	123,275	123,275
Instructional Support Services	10,279	9,213	9,213
General Support		127	127
Community Services		9,225	9,225
Total Expenditures	135,279	141,840	141,840
Change in Fund Balance	--	--	--
Fund Balances, July 1, 2024	--	--	--
Fund Balances, June 30, 2025	\$ --	\$ --	\$ --

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. A final budget amendment is made so that final budgeted amounts agree to actual amounts. The fund is the legal level of control.

Kattell and Company, P.L.

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 23, 2025

To the Board of Directors
The One Room School House Project, Inc.

We have audited the special purpose financial statements of The One Room School House Project (the School) for the year ended June 30, 2025, and have issued our report thereon dated October 23, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Accounting Policies. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no estimates that are particularly sensitive.

Disclosures. There are no disclosures that are particularly sensitive.

Corrected and Uncorrected Misstatements. Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The audit identified no material adjustments or uncorrected misstatements.

Our Working Relationship with Management

Difficulties Encountered in Performing the Audit. We encountered no difficulties in dealing with management in performing and completing our audit.

Disagreements with Management. For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations. We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants. In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Consultations Prior to Engagement. We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This letter is intended solely for the information and use of management and the Board of Directors of the School and is not intended to be and should not be used by anyone other than these specified parties.

Kattell and Company, P.L.

Kattell and Company, P.L.

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MANAGEMENT LETTER

To the Board of Directors,
The One Room School House Project, Inc.

October 23, 2025

Report on the Financial Statements. We have audited the financial statements of The One Room School House Project, (the School), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 23, 2025.

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

Other Reporting Requirements. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*. Disclosures in that report, which is dated October 23, 2025, should be considered in conjunction with this management letter.

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

Official Title. Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is The One Room School House Project, and the school code assigned by the Florida Department of Education is 01-0950.

Financial Condition and Management.

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency. Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School is in compliance with the Statutes.

Additional Matters. Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not identify any such noncompliance.

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

* * * * *

Thank you for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or any other matters.

Kattell and Company, P.L.

Kattell and Company, P.L.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
The One Room School House Project, Inc.

October 23, 2025

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 The One Room School House Project, (the School), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 23, 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) as a basis for designing 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 the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School'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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

* * * * *

As required by the Rules of the Auditor General of the State of Florida, we noted certain matters that we reported to management of the School in the management letter dated October 23, 2025.

Kattell and Company, P.L.