Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

Financial Statements
And
Independent Auditors' Reports

June 30, 2025

PRICE & ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS, LLC

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June 30, 2025

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A Component Unit of the Levy County District School Board

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Nature Coast Middle School, Inc.

October 14, 2025

Report on Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 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 Nature Coast Middle 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 GAAS and *Government Audting 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 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 Nature Coast Middle 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 Nature Coast Middle 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 and certain pension related 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 14, 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.

Price & Associates Certified Public Accountants, LLC

Management's Discussion and Analysis
June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy 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 decreased by approximately $66,000.
- Total ending net position was a deficit of $78,356.
- The School had total expenses for the year of about $866,000, compared to revenues of approximately $800,000.
- The School educated 86 students in 2025 compared with 87 students in 2024 in grades six through eight.

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. All three 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
Nature Coast Middle School, Inc.
A Component Unit of the Levy 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.

Net Position	2025 Governmental Activities	2024 Governmental Activities
Assets:		
Non-capital Assets	$ 75,280	$ 127,603
Capital Assets, Net	473,992	489,091
Total Assets	549,272	616,694
Deferred Outflows	202,395	252,245
Liabilities:		
Current Liabilities	42,702	44,376
Noncurrent Liabilities	253,772	297,124
Net Pension Liability	460,464	499,312
Total Liabilities	756,938	840,812
Deferred Inflows	73,085	40,165
Net Position:		
Net Investment in Capital Assets	220,220	191,967
Unrestricted	(298,576)	(204,005)
Total Net Position	$ (78,356)	$ (12,038)

Change in Net Position		
Program Revenues:		
Charges for Services	$ 2,697	$ 2,149
Capital Grants & Contributions	51,845	48,232
General Revenues:		
Federal through State	66,940	155,621
Florida Education Finance Program	667,037	661,284
Other State Revenue	2,988	611
Unrestricted Grants & Contributions	7,724	5,824
Total Revenues	799,501	873,721
Program Expenses:		
Instruction	545,534	575,699
Instructional Support Services	7,589	796
General Support	235,653	347,060
Operation of Plant	57,600	59,327
Community Services	2,795	3,572
Interest on Long-Term Debt	16,648	22,477
Total Expenses	865,819	1,008,931
Change in Net Position	(66,318)	(135,210)
Beginning Net Position	(12,038)	123,172
Ending Net Position	$ (78,356)	$ (12,038)

Management's Discussion and Analysis
June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy County District School Board

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The government activities generated $54,812 in program revenues and $744,689 of general revenues, and incurred $865,819 of program expenses. This resulted in a $66,318 decrease in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund decreased by $50,649 from $83,227 to $32,578.

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.

Capital Projects Fund. The fund balance of the Capital Projects Fund remained at $0, which means all grant funds were spent during the year.

BUDGETARY HIGHLIGHTS

General Fund. There were no significant changes to the original budget. There were no differences between the final budget and actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The School experienced no significant capital asset activity for the year. 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 incurred no new debts and made scheduled payments on existing obligations. 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 Charles Bowe, Director, Nature Coast Middle School, Inc., 6830 NW 140th Street, Chiefland, FL 32626.

Statement of Net Position
June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy County District School Board

	Governmental Activities
Cash	$ 58,045
Receivables	10,793
Prepaids	6,292
Deposits	150
Capital Assets:	
Non-Depreciable Capital Assets	65,000
Depreciable Capital Assets, Net	408,992
Total Assets	549,272
Deferred Outflows	202,395
Liabilities:	
Accounts Payable	5,873
Wages Payable	36,829
Long-Term Liabilities:	
Due Within One Year	46,025
Due in More Than One Year	207,747
Net Pension Liability	460,464
Total Liabilities	756,938
Deferred Inflows	73,085
Net Assets:	
Net Investment in Capital Assets	220,220
Unrestricted	
Pension-related	(331,154)
Unrestricted	32,578
Total Net Position	$ (78,356)

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy County District School Board

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Functions/Programs:					
Governmental Activities:					
Instruction	$ (545,534)	$ 2,967	$ --	$ --	$ (542,567)
Instructional Support Services	(7,589)	--	--	--	(7,589)
General Support	(235,653)	--	--	35,197	(200,456)
Operation of Plant	(57,600)	--	--	--	(57,600)
Community Services	(2,795)	--	--	--	(2,795)
Interest on Long-Term Debt	(16,648)	--	--	16,648	--
Total	$ (865,819)	$ 2,967	$ --	51,845	(811,007)

General Revenues:	
Federal through State:	
Title I	45,759
IDEA Grant	10,965
ESSER III Grant	10,216
State Revenue:	
Florida Education Finance Program	667,037
Other State Revenue	2,988
Unrestricted Grants and Contributions	7,724
Total General Revenues	**744,689**
Change in Net Position	**(66,318)**
Net Position – Beginning of Year	**(12,038)**
Net Position – End of Year	**$ (78,356)**

See accompanying notes.

Balance Sheet – Governmental Funds
June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy County District School Board

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 58,045	$ --	$ --	$ 58,045
Receivables	10,793	--	--	10,793
Prepaid Expenses	6,292	--	--	6,292
Deposits	150	--	--	150
Total Assets	**$ 75,280**	**$ --**	**$ --**	**$ 75,280**
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ 5,873	$ --	$ --	$ 5,873
Wages Payable	36,829	--	--	36,829
Total Liabilities	42,702	--	--	42,702
Fund Balances:				
Non-Spendable - Prepaids	6,292	--	--	6,292
Non-Spendable - Deposits	150	--	--	150
Unassigned	26,136	--	--	26,136
Total Fund Balances	32,578	--	--	32,578
Total Liabilities and Fund Balances	**$ 75,280**	**$ --**	**$ --**	**$ 75,280**

See accompanying notes.

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

June 30, 2025

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

Fund Balances – Total Governmental Funds	$ 32,578
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	473,992
Long-term liabilities are not due and payable in the current period and so are not reported as fund liabilities, but are included in the statement of net position.	
Long-Term Liabilities	(253,772)
Accounting for the School's participation in the Florida Retirement System – the following amounts are reported in the Government-Wide Statements (see Note 5):	
Deferred Outflows	202.395
Deferred Inflows	(73,085)
Net Pension Liability	(460,464)
Net Position of Governmental Activities	$ (78,356)

See accompanying notes.

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

For the Year Ended June 30, 2025

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Federal through State:				
Title I	$ --	$ 45,759	$ --	$ 45,759
ESSER III Grant	--	10,216	--	10,216
IDEA Grant	--	10,965	--	10,965
State Revenue:				
Florida Education Finance Program	667,037	--	--	667,037
Public Education Capital Outlay	--	--	51,845	51,845
Other State Revenue	--	2,988	--	2,988
Local Revenue	10,691	--	--	10,691
Total Revenues	**677,728**	**69,928**	**51,845**	**799,501**
Expenditures and Changes in Fund Balances				
Expenditures:				
Current:				
Instruction	448,687	69,928	--	518,615
Instructional Support Services	1,543	--	--	1,543
General Support	209,597	--	--	209,597
Operation of Plant	57,600	--	--	57,600
Community Services	2,795	--	--	2,795
Debt Service:				
Principal	8,155	--	35,197	43,352
Interest	--	--	16,648	16,648
Total Expenditures	**728,377**	**69,928**	**51,845**	**850,150**
Excess of Revenues Over(Under) Expenditures	**(50,649)**	--	--	**(50,649)**
Fund Balances, July 1, 2024	**83,227**	--	--	**83,227**
Fund Balances, June 30, 2025	**$ 32,578**	**$ --**	**$ --**	**$ 32,578**

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

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

Excess of Revenues over Expenditures – Total Governmental Funds	$ (50,649)
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	10,100
Current Year Depreciation Expense	(25,199)
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	43,352
Accounting for the School's participation in the Florida Retirement System:	
Adjustment of required contribution to net pension expense	(43,922)
Change in Net Position of Governmental Activities	$ (66,318)

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Nature Coast Middle School, Inc. conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

Nature Coast Middle School, Inc. is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation began conducting business as Nature Coast Middle School (the School) in 2006. The governing body of the School is the not-for-profit corporation's Board of Directors.

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 Levy County District School Board (the District). The current charter is effective until June 30, 2024, 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. The School is considered a component unit of the District.

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

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 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 funds are used by the School:

GOVERNMENTAL FUNDS

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 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 and Cash Equivalents

Cash consists of deposits in qualified public depositories and the bank has identified the School's deposits as public deposits.

Prepaids

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of $1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value on the date of donation. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	30
Furniture, Fixtures and Equipment	5

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 full-time equivalent (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 full-time equivalent 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

The School's personnel policies allow a limited accumulation of unused employee sick/personal leave time. Employees can accumulate up to 20 days. This time can be paid out at 50% of its value. The liability of compensated absences is accrued when incurred in the government-wide financial statements. In the fund financial statements, a liability for compensated absences is reported to the extent that the liability will be liquidated with expendable available financial resources. Compensated absences are liquidated from the General Fund.

Long-term Liabilities

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

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 its use by legislation, or external restrictions imposed by other governments, creditors, or grantors. *Unrestricted* Net Position is Net Position that does not meet the definition of the classifications previously described. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, and then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Fund Equity

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 Director. Assigned fund balance includes spendable fund balance amounts established by the Director 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 Director. 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 to 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS), and additions to/deductions from the FRS and HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – 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	$ 65,000	$ --	$ --	$ 65,000
Capital Assets Being Depreciated:				
Building	568,119	--	--	568,119
Improvements	99,797	10,100	--	109,897
Furniture, Fixtures & Equipment	13,407	--	--	13,407
Total Capital Assets Being Depreciated	681,323	10,100	--	691,423
Accumulated Depreciation:				
Building	203,577	18,938	--	222,515
Improvements	41,836	5,224	--	47,060
Furniture, Fixtures & Equipment	11,819	1,037	--	12,856
Total Accumulated Depreciation	257,232	25,199	--	282,431
Net Capital Assets	$ 489,091	$ (15,099)	$ --	$ 473,992

Depreciation was charged to the function/program as follows:

General Support	$ 25,199
Total Depreciation Expense	$ 25,199

NOTE 3 – 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.

NOTE 4 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amount Due In 1 Year
Note Payable	$ 297,124	$ --	$ (43,352)	$ 253,772	$ 46,025

In September, 2013, the School borrowed $628,788 to purchase its facilities. The note payable is a fixed rate loan, collateralized by the School's real property, amortized over 16 years, 7 months and carries an interest rate of 6%. The payments are $5,000 per month. The scheduled debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Paymen
2026	46,025	13,975	60,000
2027	46,864	11,136	60,000
2028	51,878	8,122	60,000
2029	55,878	4,922	60,000
2030	51,927	3,073	55,000
Total	$ 253,772	$ 41,228	$ 295,000

NOTE 5 – EMPLOYEE RETIREMENT PLANS

The Florida Department of Management Services, Division of Retirement (Division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (System). The School participates in two defined benefit plans administered by the Division. The Division issues a publicly-available, audited comprehensive annual financial report (ACFR) on behalf of the System that includes financial statements, notes and required supplementary information for each of the pension plans. The system's ACFR and the actuarial reports, which provide detailed information about the plans, are available on line at: http://www.dms.myflorida.com/workforce_operations/retirement/publications. The system's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at: Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or call 850-488-5706 or toll free at 877-377-1737.

Plan Descriptions

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established, is administered, and may be amended in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional. Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and

NOTE 5 – EMPLOYEE RETIREMENT PLANS (continued)

service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The percentage value for each year of service credit earned (for Regular class members) ranges from 1.60% to 1.68%. Benefits received are increased by an annual cost-of-living adjustment, ranging from 0% to 3% depending on effective dates of enrollment and retirement.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established, administered, and subject to amendment in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions

Contribution requirements of active employees and participating employers are established and may be amended only through an act of the Florida Legislature. The FRS requires a contribution of 3% of covered pay from employees. The School is required to contribute at an actuarially determined rate. Contribution rates and amounts are listed in the table below. The School may designate positions to the Local Agency Senior Management Service Class (SMSC), provided certain conditions are met. In the years ended June 30, 2024, 2023 and 2022, the School designated the position of principal to this category. Amounts contributed were equal to required contributions for the years ended June 30, 2024, 2023, and 2022.

	2023	2024	2025
	Regular	Regular	Regula
Contribution Rates – %			
Retirement– Employer	10.19	11.51	11.57
HIS – Employer	1.66	2.00	2.00
Administration	.06	.06	.06
Employee	3.00	3.00	3.00
Total	14.91	16.57	16.63
Contribution Amounts			
Employer	$56,936	$66,075	$63,672
Employee	14,342	14,608	14,077
Totals	$71,278	$ 80,683	$77,749

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the School reported a liability of $460,464 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The following displays the School's proportionate shares for the two programs:

	Share at June 30, 2024	Share at June 30, 2025	Change
Florida Retirement System	0.000772130%	0.000744131%	(0.00002800)%
Health Insurance Subsidy	0.001206687%	0.001150553%	(0.000056134)%

NOTE 5 – EMPLOYEE RETIREMENT PLANS (continued)

For the year ended June 30, 2025, the School recognized pension expense of $87,459. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.	30,749	$ 331
Changes of assumptions.	42,510	20,433
Net difference between projected and actual earnings on pension plan investments.	--	19,195
Changes in proportion and differences between School contributions and proportionate share of contributions.	65,464	33,126
School contributions subsequent to the measurement date.	63,672	-
Total	$ 202,395	$ 73,085

The School reported $63,672 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the following years:

Year Ending June 30,	
2026	40,340
2027	7,840
2028	32,329
2029	(9,257)
2030	(5,444)
2031	211
2033	(381)
Total	$ 65,638

Actuarial Assumptions and Discount Rate

The total pension liability for cost-sharing defined benefit plans was determined by an actuarial valuation as of July 1, 2024, using the entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.7%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index.) Mortality assumptions for the FRS Pension Plan and the HIS Program were changed as noted below.

The following changes in actuarial assumptions occurred in 2024:

- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.65% to 3.93%.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate. The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact of the School's proportionate share of the collective net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2024.

NOTE 5 – EMPLOYEE RETIREMENT PLANS (continued)

Actuarial Assumptions and Discount Rate(continued)

Florida Retirement System

1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
$ 506,344	$ 287,870	$ 104,842

Health Insurance Subsidy

1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
$ 196,476	$ 172,594	$ 152,768

The long-term expected rate of return assumption of 6.7% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2024 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.48% real return from the capital market outlook model developed by Aon for 2023. Geometrically combining those building blocks using the formula (1 + .024) x (1+ .042) – 1 generates an expected nominal return of 6.7%. In our opinion, both building block components and the overall 6.7% return assumption are reasonable and appropriate per Actuarial Standards of Practice.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45%	8.6%	7.0%	18.2%
Real Estate	12%	8.1%	6.6%	16.6%
Private Equity	11%	12.4%	8.8%	28.4%
Strategic Investments	2%	6.6%	6.1%	8.7%

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Defined Contribution Plan

In March 2011, the School adopted a SIMPLE IRA plan administered through American Funds. The School matches employee contributions up to 3% of the employee's gross pay. The Board of Directors has the authority to amend or terminate the plan, although it has not expressed any intention to do so.

Year Ended June 30,	Employee Contributions	Employer Contributions
2025	$ 639	$ 639
2024	$ 574	$ 574
2023	$ 546	$ 546

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
State Revenue:				
Florida Education Finance Program	$ 712,619	$ 667,037	$ 667,037	$ --
Other State Revenue	--	--	--	--
Local Revenue:				
Local Revenue	--	10,691	10,691	--
Total Revenues	**712,619**	**677,728**	**677,728**	**--**
Expenditures and Changes in Fund Balances				
Expenditures:				
Current:				
Instruction	373,783	448,687	448,687	--
Instructional Support Services	71,058	1,543	1,543	--
General Support	194,152	209,597	209,597	--
Operation of Plant	61,059	57,600	57,600	--
Community Services	--	2,795	2,795	--
Debt Service:				
Principal	10,908	8,155	8,155	--
Interest	--	--	--	--
Total Expenditures	**710,960**	**728,377**	**728,377**	**--**
Excess of Revenues Over (Under)Expenditures	**1,659**	**(50,649)**	**(50,649)**	**--**
Fund Balances, July 1, 2024	**40,438**	**83,227**	**83,227**	**--**
Fund Balances, June 30, 2025	**$ 42,097**	**$ 32,578**	**$ 32,578**	**$ --**

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

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Federal through State:				
Title I	$ 43,951	$ 45,759	$ 45,759	$ --
ESSER III Grant	10,699	10,216	10,216	--
IDEA Grant	10,000	10,965	10,965	
Other state revenue	--	2,988	2,988	--
Total Revenues	**64,650**	**69,928**	**69,928**	**--**
Expenditures and Changes in Fund Balances				
Expenditures:				
Current:				
Instruction	53,600	69,928	69,928	--
Instruction Support	11,050	--	--	--
General Support	--	--	--	--
Total Expenditures	**64,650**	**69,928**	**69,928**	**--**
Excess of Revenues Over (Under)Expenditures	--	--	--	--
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.

Schedule of School's Proportionate Share of the Net Pension Liability – Last 10 Fiscal Years

For the Year Ended June 30, 2025

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

Florida Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.000744131%	0.000772130%	0.000842677%	0.000770004%	0.0006578 86%	0.000507245%				
Proportionate share of the net pension liability (asset)	$ 287,870	$ 307,669	$ 313,549	$ 58,170	$ 285,142	$ 174,688				
Covered-employee payroll	$ 486,916	$ 478,114	$ 467,558	$ 417,134	$ 400,576	$ 240,459				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.12%	64.35%	67.06%	13.95%	71.18%	72.65%				
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%				

Health Insurance Subsidy Program

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.001150554%	0.0012206687%	0.001278571%	0.001178294%	0.0011541 77%	0.000718998%				
Proportionate share of the net pension liability (asset)	$ 172,594	$ 191,643	$ 135,421	$ 144,535	$ 140,923	$ 80,449				
Covered-employee payroll	$ 486,916	$ 478,114	$ 467,558	$ 417,134	$ 400,576	$ 240,459				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.45%	40.09%	28.96%	34.65%	35.18%	33.46%				
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.12%	4.81%	3.56%	3.00%	2.63%				

Note: The amounts presented were determined as of June 30 for each fiscal year.
Note: Amounts will be presented prospectively.
Note: There are no factors that have had a significant effect on amounts reported.

Schedules of School's Contributions – Last 10 Fiscal Years

For Year Ended June 30, 2025

Nature Coast Middle School, Inc.

A Component Unit of the Levy County District School Board

Florida Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Required contribution	$ 54,288	$ 56,336	$ 48,720	$ 42,654	$ 34,789	$ 27,279	$ 15,728			
Contributions in relation to the required contribution	(54,288)	(56,336)	(48,720)	(42,654)	(34,789)	(27,279)	(15,728)			
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --			
Covered-employee payroll	$ 469,216	$ 486,916	$ 478,114	$ 467,558	$ 417,134	$ 400,576	$ 240,459			
Contributions as a percentage of covered-employee payroll	15.75%	11.57%	10.19%	9.12%	8.34%	6.81%	6.54%			

Health Insurance Subsidy Program

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Required contribution	$ 9,384	$ 9,738	$ 7,937	$ 7,761	$ 6,924	$ 6,650	$ 3,993			
Contributions in relation to the required contribution	(9,384)	(9,738)	(7,937)	(7,761)	(6,924)	(6,650)	(3,993)			
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --			
Covered-employee payroll	$ 469,216	$ 486,916	$ 478,114	$ 467,558	$ 417,134	$ 400,576	$ 240,459			
Contributions as a percentage of covered-employee payroll	2.26%	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%			

Note: The amounts presented were determined as of June 30 for each fiscal year.
Note: Amounts will be presented prospectively.
Note: There are no significant trends in the amounts reported.

Price & Associates Certified Public Accountants, LLC

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 14, 2025

To the Board of Directors
Nature Coast Middle School, Inc.

We have audited the financial statements of Nature Coast Middle School, Inc. (the School) for the year ended June 30, 2025 and have issued our report thereon dated October 14, 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 January 9, 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. We have communicated all known and likely adjustments to management and all adjustments have been reflected in the financial statements.

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 information is intended solely for the 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.

Very truly yours,

Price & Associates Certified Public Accountants, LLC

MANAGEMENT LETTER

To the Board of Directors,
Nature Coast Middle School, Inc.

October 14, 2025

Report on the Financial Statements. We have audited the financial statements of Nature Coast Middle School, Inc. (the School), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 14, 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 Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings. Disclosures in that report and Schedule, which are dated October 14, 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 are no uncorrected findings to report.

Official Title. Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Nature Coast Middle School, Inc. and the school code assigned by the Florida Department of Education is 38-0062.

Financial Condition.
Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our financial condition assessment procedures disclosed indications of deteriorating financial condition as discussed in Finding 2025-001.

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 did maintain on its website the information specified in Section 1002.33(9)(p), Florida Statutes at September 30, 2025, the date of our procedures.

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 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, 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.

Price & Associates Certified Public Accountants, LLC

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, October 14, 2025
Nature Coast Middle School, Inc.

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 Nature Coast Middle School, Inc. (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 14, 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 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. 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.*

School's Response to Finding

The school's response to our finding is describe in the accompanying letter from the school. The School's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.

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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 14, 2025.

Price & Associates Certified Public Accountants, LLC

Schedule of Findings
June 30, 2025
Nature Coast Middle School, Inc.
A Component Unit of the Levy County District School Board

DETERIORATING FINANCIAL CONDITION

2025-001 Reduction in Net Position

Finding - The School sustained a decrease in net position for the year ended June 30, 2025 of $45,496 and ended the year with a deficit in unrestricted net position of $277,754. In addition, the School experienced an excess of expenditures over revenues in the general fund of $50,649 with a surplus in the General Fund of $32,578. A similar decrease in 2025-2026 would cause a deficit in the General Fund. Although the School has obtained liquidity to sustain operations from low interest rate borrowings, such financing is not assumed to be available in future years.

Recommendation – The School should consider what adjustments will need to be made to its operations to ensure that revenues are sufficient to cover operating expenses and future debt service requirements.

Nature Coast Middle School
6830 NW 140th Street
Chiefland, FL 32626
352.490.0700

October 29, 2025

We were pleased to receive the competed audit report performed by your company for Nature Coast Middle School for the 2024-2025 fiscal year. Having reviewed this report thoroughly, we understand the listed findings. For finding 2025-001, Nature Coast Middle School is aware of the reduction in net position. Nature Coast Middle School has determined that the change in position was due in part to the loss of the ESSER III grant. We have also seen a decrease in enrollment over the last 2 years. The Board of Directors has met to revise the 2025-2026 approved budget. The revised budget will include reductions in salaries and personnel. Reductions in programming (i.e. after school tutoring, summer school) were also implemented. We appreciate your work and the professional manner in which it was carried out. We look forward to working with you in the future.

Sincerely,

Charles Bowe, Principal
Nature Coast Middle School