

CHOICES IN LEARNING, INC.
BASIC FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY
INFORMATION
JUNE 30, 2026

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Choices in Learning, Inc. (the School), a component unit of the Seminole County District School Board, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 9 and 26 to 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Choices in Learning, Inc. (the "School"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2026 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

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

FINANCIAL HIGHLIGHTS

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$3,738,115 (net position).
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$4,089,363.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,279,670.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide data about net position and changes in net position as of and for the years ended June 30, 2026 and 2025.

	Governmental Activities		
	2026	2025	Change
Assets			
Non-capital assets	\$ 4,330,818	\$ 4,455,897	\$ (125,079)
Capital assets, net	6,637,024	6,774,574	(137,550)
Total assets	<u>10,967,842</u>	<u>11,230,471</u>	<u>(262,629)</u>
Deferred outflows of resources			
Deferred loss on bond refunding	<u>449,495</u>	<u>474,838</u>	<u>(25,343)</u>
Liabilities			
Current liabilities	267,704	327,244	(59,540)
Non-current liabilities	<u>7,411,518</u>	<u>7,693,017</u>	<u>(281,499)</u>
Total liabilities	<u>7,679,222</u>	<u>8,020,261</u>	<u>(341,039)</u>
Net position			
Nonspendable	21,656	17,182	4,474
Net investment in capital assets	(324,999)	(443,605)	118,606
Unrestricted	<u>4,041,458</u>	<u>4,111,471</u>	<u>(70,013)</u>
Total net position	<u>\$ 3,738,115</u>	<u>\$ 3,685,048</u>	<u>\$ 53,067</u>

Non-capital assets have decreased due to timing of invoices paid at year end. Capital assets have decreased due to depreciation expense. Current liabilities have decreased due to the timing of pending vendor invoices and accrued payroll. Non-current liabilities have decreased due to payments on outstanding debt.

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

Governmental Activities			
	2026	2025	Change
Program revenues			
Capital grants and contributions	\$ 723,051	\$ 603,519	\$ 119,532
Operating grants and contributions	135,092	574,185	(439,093)
Charges for service	882,909	935,205	(52,296)
General revenues			
State passed through local school board	5,581,005	5,664,592	(83,587)
Other revenues	219,001	92,315	126,686
Total revenues	<u>7,541,058</u>	<u>7,869,816</u>	<u>(328,758)</u>
Program expenses			
Basic instruction	3,657,598	3,416,310	241,288
Exceptional instruction	444,568	409,048	35,520
Media services	60,081	57,825	2,256
Guidance services	72,100	71,754	346
Health services	49,699	87,300	(37,601)
Curriculum development	3,451	46,169	(42,718)
Staff development	3,222	5,284	(2,062)
Board expenses	28,144	37,436	(9,292)
General administration	39,252	38,988	264
School administration	693,560	757,093	(63,533)
Fiscal services	200,026	100,404	99,622
Food services	154,050	149,627	4,423
Transportation	113,106	95,501	17,605
Operation of plant	580,190	469,801	110,389
Maintenance of plant	62,883	64,343	(1,460)
Community services	428,122	312,491	115,631
Other programs and services	114,072	120,727	(6,655)
Interest on long-term debt	345,858	357,593	(11,735)
Unallocated depreciation	438,009	396,361	41,648
Total expenses	<u>7,487,991</u>	<u>6,994,055</u>	<u>493,936</u>
Changes in net position	<u>53,067</u>	<u>875,761</u>	<u>(822,694)</u>
Net position at July 1, 2025	<u>3,685,048</u>	<u>2,809,287</u>	<u>875,761</u>
Net position at June 30, 2026	<u>\$ 3,738,115</u>	<u>\$ 3,685,048</u>	<u>\$ 53,067</u>

The School's student enrollment decreased from 682 full-time equivalent ("FTE") students for fiscal 2025 to 675 for fiscal 2026. The Florida Education Finance Program ("FEFP") revenues decreased to match the enrollment decrease which is recognized in state passed through local school board. During fiscal 2026, operating grants and contributions decreased due to the School not receiving ESSER funding. Overall, the School's instructional and student support services increased due to increased basic instruction supplies. Operation of plant costs increased as a result of facility beautification and increased electricity costs. Community service costs increased due to expansion of voluntary pre-kindergarten child services.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets did exceed liabilities by \$3,738,115 at the close of the most recent fiscal year. The \$53,067 increase in net position is primarily attributed to the School's effort to manage expenses and maintain profits to meet its debt service coverage ratio requirements.

As a result of the current fiscal year operations, the School is reporting a decrease of \$70,013 in unrestricted net position due to increased operational costs. The School is reporting a current year increase of \$118,606 in net investment in capital assets. This increase is related to the payment on the note exceeding the depreciation and acquisition of capital assets, and the amortization on the deferred loss on bond refunding.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

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

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

As of the end of the current fiscal year, the School's governmental funds reported combined ending fund surplus of \$4,089,363. The capital fund monies are required to be spent on certain things set forth in the Florida Statutes and the statutes allow 31 months to spend those monies. As of June 30, 2026, \$37,050 remained unspent.

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance surplus of the General Fund was \$2,279,670, a decrease of \$308,822 from the prior year. The total General Fund balance decreased by \$103,586 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors amends the School's budget throughout the fiscal year to reflect changes in expected revenues and expenditures and changes in FTE counts. During fiscal 2026, the Board amended the financial budget to actual, therefore, the final budget and actuals are the same. The budgetary information can be found on pages 26 – 28 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets—The School's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$6,637,024. This investment in capital assets includes the school facility and related land, fixed equipment, furniture, fixtures, and construction in progress. See Note 3 in the accompanying financial statements for additional information.

Debt—At the end of the current fiscal year, the School had total long-term debt of \$7,411,518. The amount consists of a refinancing loan obtained to extinguish the original bond used to construct the school facilities. The current debt maturities can be seen in Note 4 in the accompanying financial statements.

ECONOMIC FACTORS

School board, state, and federal funding from school boards according to the number of students enrolled principally support the School. Enrollment for the 2025-2026 school year was 675 students. Enrollment for the 2026-2027 school year is currently 692 students.

The School continues to operate in an environment affected by inflationary pressures, rising personnel costs, and increasing expenditures for instructional resources, technology, insurance, and facility operations. The School's financial condition remains closely tied to student enrollment levels and funding provided through FEFP through the local school district. In addition, eligible Florida charter schools continue to benefit from state capital outlay funding that supports facility and infrastructure needs. The School no longer receives Elementary and Secondary School Emergency Relief (ESSER) funding that was available in prior years, resulting in a reduction of federal funding sources available to support operations and special initiatives. Management will continue to monitor enrollment trends, legislative funding actions, and economic conditions that may affect revenues and operating costs in future years.

REQUEST FOR INFORMATION

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

CHOICES IN LEARNING, INC.

STATEMENT OF NET POSITION

JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,272,112
Accounts receivable	37,050
Prepays	21,656
Capital assets:	
Capital assets, not being depreciated	1,244,000
Capital assets, being depreciated, net of accumulated depreciation	5,393,024
Total assets	<u>\$ 10,967,842</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on bond refunding	<u>\$ 449,495</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 241,455
Accrued interest payable	26,249
Noncurrent liabilities:	
Due within one year:	
Note payable	293,698
Due in more than one year:	
Note payable	7,117,820
Total liabilities	<u>\$ 7,679,222</u>
NET POSITION	
Nonspendable	\$ 21,656
Net investment in capital assets	(324,999)
Unrestricted	4,041,458
Total net position	<u>\$ 3,738,115</u>

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

CHOICES IN LEARNING, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					Governmental Activities
Basic instruction	\$ 3,657,598	\$ -	\$ 135,092	\$ 271,835	\$ (3,250,671)
Exceptional instruction	444,568	-	-	-	(444,568)
Media services	60,081	-	-	-	(60,081)
Guidance services	72,100	-	-	-	(72,100)
Health services	49,699	-	-	-	(49,699)
Curriculum development	3,451	-	-	-	(3,451)
Staff development	3,222	-	-	-	(3,222)
Board expenses	28,144	-	-	-	(28,144)
General administration	39,252	-	-	-	(39,252)
School administration	693,560	-	-	-	(693,560)
Fiscal services	200,026	-	-	-	(200,026)
Food services	154,050	86,864	-	-	(67,186)
Transportation	113,106	-	-	-	(113,106)
Operation of plant	580,190	-	-	-	(580,190)
Maintenance of plant	62,883	-	-	-	(62,883)
Community services	428,122	507,426	-	-	79,304
Other programs and services	114,072	288,619	-	-	174,547
Interest on long-term debt	345,858	-	-	451,216	105,358
Unallocated depreciation	438,009	-	-	-	(438,009)
Total governmental activities	<u>\$ 7,487,991</u>	<u>\$ 882,909</u>	<u>\$ 135,092</u>	<u>\$ 723,051</u>	<u>(5,746,939)</u>
General revenues:					
State passed through local school board					5,581,005
Other revenues:					
Other income					219,001
Total general and other revenues					<u>5,800,006</u>
Change in net position					53,067
Net position at July 1, 2025					3,685,048
Net position at June 30, 2026					<u>\$ 3,738,115</u>

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

CHOICES IN LEARNING, INC.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2026

	General Fund	Capital Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,272,112	\$ -	\$ 4,272,112
Accounts receivable	-	37,050	37,050
Prepays	21,656	-	21,656
Total assets	<u>\$ 4,293,768</u>	<u>\$ 37,050</u>	<u>\$ 4,330,818</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 241,455	\$ -	\$ 241,455
Total liabilities	<u>241,455</u>	<u>-</u>	<u>241,455</u>
FUND BALANCES			
Nonspendable			
Prepaid expenses	21,656	-	21,656
Assigned for:			
Repair and replacement	1,750,987	-	1,750,987
Unassigned	2,279,670	37,050	2,316,720
Total fund balances	<u>4,052,313</u>	<u>37,050</u>	<u>4,089,363</u>
Total liabilities and fund balances	<u>\$ 4,293,768</u>	<u>\$ 37,050</u>	<u>\$ 4,330,818</u>

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

CHOICES IN LEARNING, INC.

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

JUNE 30, 2026

Fund balances - total governmental funds \$ 4,089,363

The net position reported for governmental activities in the statement
of net position is different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the governmental
funds. Those assets consist of:

Land	1,091,914	
Land and buildings improvements	7,951,964	
Furniture, fixtures, and equipment	2,779,739	
Construction in progress	152,086	
Accumulated depreciation	(5,338,679)	
Total capital assets, net		6,637,024

Promissory note payable and other long-term liabilities are not due and
payable currently and therefore are not reported as liabilities of the
governmental funds:

Note payable	(7,411,518)	
Accrued interest	(26,249)	
		(7,437,767)

Unamortized deferred loss on bond defeasance is not recognized in
the fund statements.

449,495

Total net position of governmental activities

\$ 3,738,115

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

CHOICES IN LEARNING, INC.

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

YEAR ENDED JUNE 30, 2026

	General Fund	Capital Fund	Total Governmental Funds
Revenues			
State passed through local school board	\$ 5,581,005	\$ -	\$ 5,581,005
Grants funds	106,495	271,835	378,330
Capital funds	-	451,216	451,216
Other revenues:			
Donations	28,597	-	28,597
Community services fees	507,426	-	507,426
Food service	86,864	-	86,864
Other income	507,620	-	507,620
Total revenues	<u>6,818,007</u>	<u>723,051</u>	<u>7,541,058</u>
Expenditures			
Current:			
Basic instruction	3,658,596	-	3,658,596
Exceptional instruction	444,568	-	444,568
Media services	60,081	-	60,081
Guidance services	72,100	-	72,100
Health services	49,699	-	49,699
Curriculum development	3,451	-	3,451
Staff development	3,222	-	3,222
Board expenses	28,144	-	28,144
General administration	39,252	-	39,252
School administration	693,558	-	693,558
Fiscal services	200,026	-	200,026
Food services	154,050	-	154,050
Transportation	113,106	-	113,106
Operation of plant	880,650	-	880,650
Maintenance of plant	62,883	-	62,883
Community services	114,072	-	114,072
Other programs and services	428,122	-	428,122
Debt service:			
Principal payment	-	281,499	281,499
Interest charges	-	320,515	320,515
Total expenditures	<u>7,005,580</u>	<u>602,014</u>	<u>7,607,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,573)</u>	<u>121,037</u>	<u>(66,536)</u>
Other financing sources (uses)			
Transfers in	83,987	-	83,987
Transfers (out)	-	(83,987)	(83,987)
Total other financing sources (uses)	<u>83,987</u>	<u>(83,987)</u>	<u>-</u>
Net change in fund balance	<u>(103,586)</u>	<u>37,050</u>	<u>(66,536)</u>
Fund balances at July 1, 2025	4,155,899	-	4,155,899
Fund balances at June 30, 2026	<u><u>\$ 4,052,313</u></u>	<u><u>\$ 37,050</u></u>	<u><u>\$ 4,089,363</u></u>

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

CHOICES IN LEARNING, INC.

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

YEAR ENDED JUNE 30, 2026

Net change in fund balances - total governmental funds	\$	(66,536)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Current year expenditures for capital assets	300,459	
Current year depreciation expense	<u>(438,009)</u>	
		(137,550)

The issuance of long-term debt (i.e., promissory notes and leases) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payments	281,499
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Interest and other expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Other expenses	997	
Amortization of bond premium	<u>(25,343)</u>	
		<u>(24,346)</u>

Change in net position of governmental activities	\$	<u>53,067</u>
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The accompanying notes are an integral part of these financial statements.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

1. **Summary of Significant Accounting Policies**

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

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

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

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

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

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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

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

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

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest and general long-term debt, which are recorded as expenditures only when payment is due.

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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

The School uses the following major governmental funds:

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

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

(d) **Budgetary basis of accounting**—Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operation at the combined governmental level and may be amended by the Board. For fiscal year ended June 30, 2026, the budget presented has been amended according to Board procedures.

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

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

(f) **Income taxes**—Under section 501(c)(3) of the Internal Revenue Code and Florida Statutes, the School is exempt from taxes on income other than unrelated business income. Since the School had no taxable unrelated business income during 2026, no provision for income taxes is provided in the financial statements.

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

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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

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

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

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

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

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

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

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

The net investment in capital assets listed on the Statement of Net Position reflects total capital assets, \$6,637,024, plus the deferred loss on bond refunding, \$449,495, and less debt directly related to the acquisition of those assets, \$7,411,518.

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

In May 2015, the Board approved the assignment of General Fund balance for future replacement costs starting in 2016. The School developed a replacement plan schedule based on current costs and will increase the assignment approximately 5% every year for inflation. At June 30, 2026, \$1,750,987 was assigned for future replacement costs.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

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

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

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

3. **Capital Assets**

Capital asset activity for the year ended June 30, 2026, was as follows:

	Balance at July 1, 2025	Additions	Deductions	Balance at June 30, 2026
Capital assets not being depreciated:				
Land	\$ 1,091,914	\$ -	\$ -	\$ 1,091,914
Construction in progress	-	152,086	-	152,086
Total capital assets, not being depreciated	1,091,914	152,086	-	1,244,000
Capital assets being depreciated:				
Land and building improvements	7,877,275	74,689	-	7,951,964
Furniture, fixtures and equipment	2,706,054	73,684	-	2,779,738
Total capital assets	10,583,329	148,373	-	10,731,702
Less: accumulated depreciation for:				
Land and building improvements	2,645,109	220,899	-	2,866,008
Furniture, fixtures and equipment	2,255,560	217,110	-	2,472,670
Total accumulated depreciation	4,900,669	438,009	-	5,338,678
Total capital assets, being depreciated, net	5,682,660	(289,636)	-	5,393,024
Capital assets, net	\$ 6,774,574	\$ (137,550)	\$ -	\$ 6,637,024

Capital assets are used by multiple functions with the School and cannot be easily charged directly to a specific function. For the year ended June 30, 2026, unallocated depreciation expense was \$438,009.

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

4. Long-term Debt

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

At June 30, 2026, long-term debt consisted of the loan agreement entered into with Charter Impact Fund, Inc. on February 25, 2019. The principal amount of the loan entered into with Charter Impact Fund, Inc. was \$9,199,407, with a maturity date on November 1, 2043, and payments of principal plus interest 4.250% monthly. The loan is collateralized by land and school facility located in the City of Winter Springs, Florida, as described in the loan document. The School is required to maintain a debt service coverage ratio, a minimum student enrollment, and maintain not less than sixty days cash on hand as defined in the loan document. As of and for the year ended June 30, 2026, the School was in compliance with these requirements.

The 2019 debt refinancing resulting in a loss on refunding of \$627,238, which is not recognized in the fund level statements but is deferred and included in the government-wide statement as deferred outflow. The deferred loss is amortized over the life of the debt through 2044. Amortization expense of the loss of \$25,343 for 2026 was charged against interest expense. Accumulated amortization totaled \$449,495 at June 30, 2026.

A summary of long-term debt for the year ended June 30, 2026, is as follows:

	Balance July 1, 2025	Additions	Payments	Balance June 30, 2026	Due Within One Year
Governmental activities:					
Note payable	\$ 7,693,017	\$ -	\$ 281,499	\$ 7,411,518	\$ 293,698
Total	<u>\$ 7,693,017</u>	<u>\$ -</u>	<u>\$ 281,499</u>	<u>\$ 7,411,518</u>	<u>\$ 293,698</u>

The annual debt service requirements to maturity for all governmental-type activity debt outstanding as of June 30, 2026 are as follows:

Years	Principal	Interest	Total
2027	\$ 293,698	\$ 309,313	\$ 603,011
2028	306,427	296,584	603,011
2029	319,707	283,304	603,011
2030	333,562	269,449	603,011
2031	348,018	254,993	603,011
2032-2036	1,979,828	1,035,226	3,015,054
2037-2041	2,447,665	567,389	3,015,054
2042-2044	1,382,613	74,663	1,457,276
Total	<u>\$ 7,411,518</u>	<u>\$ 3,090,921</u>	<u>\$ 10,502,439</u>

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

5. **Concentrations**

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

(b) **Cash and cash equivalents**—At June 30, 2026, the carrying amount of the School's deposits and the bank balances were \$4,272,112. The School maintains cash deposits at one bank in Florida. The School has no deposit policy for custodial risk, which is the risk that in the event of a bank failure, the School's deposit may not be returned. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable FDIC limits. Any balance in excess of FDIC insurance is covered by collateral held by the School's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

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

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

6. **Commitments**

During the year ended June 30, 2026, the School contracted for student bus transportation with monthly payments between \$12,563 and \$15,335, renewable annually until expiring in May 2027. Current year payments charged to operations totaled \$113,106. The following is a schedule of future minimum payments if renewed annually:

Years Ending June 30,	Amount
2027	\$ 113,067

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

6. Commitments (continued)

During the year ended June 30, 2026, the School contracted with a consulting organization for accounting and finance services with annual payments of \$100 per student per school year. The School contracted with the same organization for human resource and payroll services with annual payments of \$340 per School employee per school year. Additionally, the School contracted with the organization for hourly contract work to assist with business manager services at a rate of \$120 per hour (or \$75 per hour if the School elects to utilize Back Office Services) until the position has been filled by the School. The term of each agreement shall be effective until either the School or consulting organization decide to terminate the agreement. During the year ended June 30, 2026, the School made total payments of approximately \$108,379 to the organization for services provided.

7. Related Party Information:

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

8. Interfund Accounts and Transfers:

During the year ended June 30, 2026, the Capital Fund transferred \$83,987 to the General Fund to pay for allowable expenditures.

9. Profit Sharing Plan:

The School has a profit-sharing plan (the Plan) pursuant to Section 401(k) of the Internal Revenue Code (the Code), whereby participants may contribute a percentage of compensation, but not in excess of the maximum amount allowed under the Code. All eligible employees may enroll in the Plan when hired. The Plan provides for an employer base contribution on the employee's behalf equal to 3% of the employee's monthly compensation. For the year ended June 30, 2026, employer contributions were \$86,994 and employee contributions were \$137,215. As of June 30, 2026, the Plan had 69 participating employees.

10. Risk Management:

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

CHOICES IN LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2026

11. **Implemented Accounting Pronouncements:**

GASB issued several pronouncements that have effective dates that may impact the current year financial statements. Listed below are the pronouncements that have been implemented during the fiscal year ended June 30, 2026. The adoption of the following standards had no significant impact on the School's financial statements:

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

12. **Recent Accounting Pronouncements:**

GASB has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to June 30, 2026, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the School's financial statements:

- (a) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB 105 enhances consistency in financial reporting by clarifying the requirements for accounting for and disclosing subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. It also clarifies the distinction between recognized and nonrecognized subsequent events and establishes specific disclosure requirements for nonrecognized events. Governments are required to disclose the date through which subsequent events have been evaluated. The provisions of GASB 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

CHOICES IN LEARNING, INC.

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

YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget	Actual General Fund	Variance with Final Budget
	Original	Final			
Revenues					
Seminole County District School Board	\$ 5,946,603	\$ 5,581,005	\$ (365,598)	\$ 5,581,005	\$ -
Grants funds	16,000	106,495	90,495	106,495	-
Other revenues:					
Donations	7,200	28,597	21,397	28,597	-
Community services fees	309,000	507,426	198,426	507,426	-
Food service	8,000	86,864	78,864	86,864	-
Other income	561,600	507,620	(53,980)	507,620	-
Total revenues	6,848,403	6,818,007	(30,396)	6,818,007	-
Expenditures					
Current:					
Basic instruction	3,618,159	3,658,596	(40,437)	3,658,596	-
Exceptional instruction	343,781	444,568	(100,787)	444,568	-
Media services	61,091	60,081	1,010	60,081	-
Guidance services	62,332	72,100	(9,768)	72,100	-
Health services	39,364	49,699	(10,335)	49,699	-
Curriculum development	53,364	3,451	49,913	3,451	-
Staff development	8,000	3,222	4,778	3,222	-
Board expenses	63,300	28,144	35,156	28,144	-
General administration	42,174	39,252	2,922	39,252	-
School administration	749,095	693,558	55,537	693,558	-
Fiscal services	176,907	200,026	(23,119)	200,026	-
Food services	131,672	154,050	(22,378)	154,050	-
Transportation	110,000	113,106	(3,106)	113,106	-
Operation of plant	581,487	880,650	(299,163)	880,650	-
Maintenance of plant	102,500	62,883	39,617	62,883	-
Community services	282,852	114,072	168,780	114,072	-
Other programs and services	41,500	428,122	(386,622)	428,122	-
Total expenditures	6,467,578	7,005,580	(538,002)	7,005,580	-
Excess (deficiency) of revenues over (under) expenditures	380,825	(187,573)	(568,398)	(187,573)	-
Other financing sources (uses)					
Transfers in	-	83,987	83,987	83,987	-
Total other financing sources (uses)	-	83,987	83,987	83,987	-
Net change in fund balance	380,825	(103,586)	(484,411)	(103,586)	-
Fund balances at July 1, 2025	4,155,899	4,155,899	-	4,155,899	-
Fund balances at June 30, 2026	\$ 4,536,724	\$ 4,052,313	\$ (484,411)	\$ 4,052,313	\$ -

See notes to required supplemental information.

CHOICES IN LEARNING, INC.

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

YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget	Actual Capital Fund	Variance with Final Budget
	Original	Final			
Revenues					
Grants funds	\$ -	\$ 271,835	\$ 271,835	\$ 271,835	\$ -
Capital funds	695,820	451,216	(244,604)	451,216	-
Total revenues	695,820	723,051	27,231	723,051	-
Expenditures					
Debt service:					
Principal payment	281,499	281,499	-	281,499	-
Interest charges	321,512	320,515	997	320,515	-
Total expenditures	603,011	602,014	997	602,014	-
Excess (deficiency) of revenues over (under) expenditures	92,809	121,037	28,228	121,037	-
Other financing sources (uses)					
Transfers (out)	-	(83,987)	(83,987)	(83,987)	-
Total other financing sources (uses)	-	(83,987)	(83,987)	(83,987)	-
Net change in fund balance	92,809	37,050	(55,759)	37,050	-
Fund balances at July 1, 2025	-	-	-	-	-
Fund balances at June 30, 2026	\$ 92,809	\$ 37,050	\$ (55,759)	\$ 37,050	\$ -

See notes to required supplemental information.

CHOICES IN LEARNING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2026

(1) Summary of Significant Accounting Policies:

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

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

(2) Budgetary Basis of Accounting:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operation at the combined governmental level and may be amended by the Board of Directors (the Board). For fiscal year ended June 30, 2026, the budgets presented has been amended according to Board procedures.

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

(3) Significant Variances:

Significant variances between the original and final budgets for the year ended June 30, 2026, are as follows:

- General Fund: The final budget included approximately \$365,000 less in FEFP funding from the school district due to lower enrollment than initially anticipated, however, community service fees offset the variance providing a minimal unfavorable variance for revenues. Total expenses provided an unfavorable variance of approximately \$538,000 due to increased expected costs for other programs and services, operation of plant, and exceptional instruction.
- Capital Fund: The original budget combined both local capital improvements and capital outlay funding within capital funds compared to the final budget which distinguished the categories properly. The final budget included approximately \$84,000 of transfers for allowable costs between funds.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Choices in Learning, Inc. (the "School"), which is a component unit of the School Board of Seminole County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control over Financial Reporting

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

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

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

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11450 Interchange Circle
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Report on Compliance and Other Matters

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

Purpose of This Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 16, 2026



MANAGEMENT LETTER

Partners

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Joe M. Krusick
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Cori G. Novinich
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To the Board of Directors of
Choices in Learning, Inc.
Winter Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the Choices in Learning, Inc. (the "School"), which is a component unit of The School Board of Seminole County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 16, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 16, 2026, 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. In connection with our audit, the School did not have prior year findings.

Official Title

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

Financial Condition and Management

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

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 16, 2026

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2026, there are no management findings, recommendations or responses.