CWDL

See what's possible.

CITRUS SPRINGS CHARTER SCHOOL INC.

A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING AS A CALIFORNIA CHARTER SCHOOL
CITRUS SPRINGS CHARTER (CHARTER NO. 1831)

AUDIT REPORT

June 30, 2025 AND 2024

858-565-2700
www.cwdl.com

CITRUS SPRINGS CHARTER SCHOOL, INC.
TABLE OF CONTENTS
JUNE 30, 2025 AND 2024

Independent Auditors' Report	1
FINANCIAL SECTION	
Basic Financial Statements:	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Charter Organizational Structure	23
Schedule of Average Daily Attendance (ADA)	24
Schedule of Instructional Time	25
Reconciliation of Annual Financial and Budget Report (Unaudited Actuals) with Audited Financial Statements	26
Note to Supplementary Information	27
OTHER INDEPENDENT AUDITORS' REPORTS	
Independent Auditors' 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*	28
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Program	30
FINDINGS AND QUESTIONED COSTS SECTION	
Summary of Auditors' Results	33
Financial Statement Findings	34
State Award Findings and Questioned Costs	35
Summary Schedule of Prior Audit Findings and Questioned Costs	36

CWDL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Citrus Springs Charter School, Inc.
Temecula, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of Citrus Springs Charter School, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Organization'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 Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Organization'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 Organization's internal control over financial reporting and compliance.



San Diego, California
December 3, 2025

FINANCIAL SECTION

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,752,098	$ 3,622,709
Accounts receivable	1,603,043	659,121
Prepaid expenses	98,552	72,360
Total current assets	5,453,693	4,354,190
Non-current assets:		
Capital assets, net	212,450	184,027
Right-of-use asset, net	244,551	498,882
Total non-current assets	457,001	682,909
TOTAL ASSETS	$ 5,910,694	$ 5,037,099
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 322,794	$ 328,718
Deferred revenue	135,329	96,870
Compensated absences	12,788	10,197
Lease liability, current portion	244,551	272,364
Total current liabilities	715,462	708,149
Non-current liabilities:		
Lease liability, non-current portion	-	226,518
Total non-current liabilities	-	226,518
Total liabilities	715,462	934,667
Net assets:		
Without donor restriction	5,195,232	4,102,432
Total net assets	5,195,232	4,102,432
TOTAL LIABILITIES AND NET ASSETS	$ 5,910,694	$ 5,037,099

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

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Without Donor Restriction	
	2025	2024
SUPPORT AND REVENUES		
Federal and state support revenues:		
Local control funding formula, state aid	$ 3,904,209	$ 3,905,678
Payments in lieu of property taxes	2,180,176	1,953,711
Federal revenues	244,736	685,426
Other state revenues	483,752	497,920
Total federal and state support and revenues	6,812,873	7,042,735
Local support and revenues:		
Investment income, net	236,137	100,353
Other local revenues	809,695	396,236
Total local support and revenues	1,045,832	496,589
TOTAL SUPPORT AND REVENUES	7,858,705	7,539,324
EXPENSES		
Program services	5,811,726	5,784,510
Management and general	954,179	969,940
TOTAL EXPENSES	6,765,905	6,754,450
CHANGES IN NET ASSETS	1,092,800	784,874
NET ASSETS, BEGINNING	4,102,432	3,317,558
NET ASSETS, ENDING	$ 5,195,232	$ 4,102,432

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses:			
Certificated salaries	$ 2,288,336	$ 112,321	$ 2,400,657
Classified salaries	263,870	77,347	341,217
Other employee salaries	-	154,294	154,294
Other employee benefits	1,036,506	7,381	1,043,887
Total personnel expenses	3,588,712	351,343	3,940,055
Non-personnel expenses:			
Books and supplies	571,368	26,391	597,759
Insurance	3,377	65,037	68,414
Facilities	144,238	-	144,238
Professional services	799,512	400,457	1,199,969
Communications	80,845	-	80,845
Repairs and maintenance	105,237	-	105,237
Dues and memberships	14,091	-	14,091
Travel and conference	-	94,624	94,624
National School Lunch Program	112,820	-	112,820
Equipment	119,162	-	119,162
Interest on lease liability	18,033	-	18,033
Amortization	254,331	-	254,331
Depreciation	-	16,148	16,148
Other outgo	-	179	179
Total non-personnel expenses	2,223,014	602,836	2,825,850
TOTAL EXPENSES	$ 5,811,726	$ 954,179	$ 6,765,905

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

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses:			
Certificated salaries	$ 2,369,736	$ 116,317	$ 2,486,053
Classified salaries	249,928	73,260	323,188
Other employee salaries	-	136,331	136,331
Other employee benefits	977,289	6,960	984,249
Total personnel expenses	3,596,953	332,868	3,929,821
Non-personnel expenses:			
Books and supplies	485,830	22,440	508,270
Insurance	2,972	57,226	60,198
Facilities	131,482	-	131,482
Professional services	916,982	459,295	1,376,277
Communications	72,609	-	72,609
Repairs and maintenance	111,585	-	111,585
Dues and memberships	10,963	-	10,963
Travel and conference	-	85,846	85,846
National School Lunch Program	100,468	-	100,468
Equipment	82,302	-	82,302
Interest on lease liability	30,412	-	30,412
Amortization	241,952	-	241,952
Depreciation	-	12,265	12,265
Total non-personnel expenses	2,187,557	637,072	2,824,629
TOTAL EXPENSES	$ 5,784,510	$ 969,940	$ 6,754,450

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

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 1,092,800	$ 784,874
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	16,148	12,265
Interest on lease liability	18,033	30,412
Amortization	254,331	241,952
(Increase)/Decrease in operating assets:		
Accounts receivable	(943,922)	56,004
Prepaid expenses	(26,192)	(48,007)
Increase/(Decrease) in operating liabilities:		
Accounts payable	(5,924)	(254,784)
Deferred revenue	38,459	(120,062)
Compensated absences	2,591	5,359
Net cash provided by/(used in) operating activities	446,324	708,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(44,571)	(61,507)
Net cash provided by/(used in) investing activities	(44,571)	(61,507)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(272,364)	(272,364)
Net cash provided by/(used in) financing activities	(272,364)	(272,364)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	129,389	374,142
CASH AND CASH EQUIVALENTS, BEGINNING	3,622,709	3,248,567
CASH AND CASH EQUIVALENTS, ENDING	$ 3,752,098	$ 3,622,709

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Citrus Springs Charter School, Inc. (the "Organization'') was formed as a nonprofit public benefit corporation on March 9, 2015 for the purpose of operating Citrus Springs Charter School (the "Charter"), a California public school located in Orange County. The Charter was authorized to operate as a charter school through the Orange County Department of Education (the "Authorizing Agency''). In March 2016, the Authorizing Agency approved a charter petition for the Charter after the petition was initially denied by the Santa Ana Unified School District. The Charter was then numbered by the State Board of Education in September 2016 as California Charter No. 1831. Classes began in October 2016. The Charter serves grades TK-12 through two different educational programs: Quest Academy (five-day per week, seat-based program) and Homeschool (parents and students work closely with an Educational Specialist, including Montessori Voyage and Citrus Journey options).

Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public. Springs Charter Schools, Inc., a related nonprofit public benefit corporation, is the sole statutory member of the Organization. Refer to Note 8 for additional information on related entities and transactions occurring during the fiscal year. In November 2020 the Authorizing Agency renewed the Charter, with a current term ending June 30, 2027.

Basis of Accounting

The Organization 's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received, and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2025 and 2024, the Organization did not have net assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and occupancy expenses are allocated based on time and effort. The financial statements also report categories of expenses that are attributed to program service activities or supporting services activities. These expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the Organization if not donated.

Payments in Lieu of Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to the Organization. Revenues are recognized by the Organization when earned.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

The Organization considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. The Organization's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Cash equivalents also include cash with county treasury balances for purposes of the statements of cash flows. Fair values of cash in county treasury are determined by the program sponsor. Gains and losses resulting from adjustments to fair values are included in the accompanying statements of activities.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2025 and 2024, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

Prepaid Expenses

Prepaid expenses are recorded at the carrying amount(s) as of financial position date. Prepaid expenses are made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods with the passage of time or when a triggering event occurs.

Right-of-Use Asset and Lease Liability

The Organization has recorded Right-of-Use ("ROU") asset and lease liability as a result of implementing the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-09, *Leases* (Topic 842). ROU asset represents the right to use an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. ROU asset and lease liability are recognized at the lease commencement date and are based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, a risk-free rate is utilized in lieu of determining an incremental borrowing rate at the commencement date in deciding the present value of lease payments. The ROU asset also include any lease payments made and exclude lease incentives. Amortization expense is recognized on a straight-line basis over the lease term. Lease agreements with lease and non-lease components are generally accounted for separately.

Capital Assets

The Organization has adopted a policy to capitalize asset purchases over $5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose or is requiring the Organization to hold the asset for a specified period of time. Capital assets are depreciated using the straight-line method over the estimated useful life of the depreciable assets. The building and improvements have an estimated useful life of 15 years, furniture and equipment have an estimated useful life of 5 years.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Payable

Accounts payable are amounts owed to vendors or suppliers for services incurred for which payment is made in a timely manner and in full, from current financial resources.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the Organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statements of financial position and revenue is recognized.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the statements of financial position. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Revenue Recognition

The Organization receives Federal, State and local revenues for their various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. Amounts received from the California Department of Education are recognized as revenue by the Organization based on the average daily attendance of students. Unearned revenue is recorded to the extent cash received on grants exceeds qualified expenses. Some government grants are based on reimbursable costs as defined by the grants. Reimbursements recorded under these grants are subject to audit by the granting agency. Management believes that no material adjustments will result from subsequent audits of costs reflected in the accompanying financial statements. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor restricted revenues whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Income Taxes

The Organization is a 509(a)(l) publicly supported nonprofit organization that is exempt from income taxes under Section 50l(a) and 50l(c)(3) of the *Internal Revenue Code* and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state franchise or income tax under Section 23701(d) of the *California Revenue and Taxation Code*. As a school, the Organization is not required to register with the California Attorney General as a charity.

The Organization's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Organization's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 and 2024, consist of the following:

	2025	2024
Cash in county treasury	$ 261,409	$ 645,191
Cash in banks, interest bearing	3,490,689	2,977,518
Total Cash and Cash Equivalents	$ 3,752,098	$ 3,622,709

Cash in Banks

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. The Organization's deposits are fully collateralized in the bank's governmental unit, thus, management believes the Organization is not exposed to any significant custodial credit risk related to cash in banks.

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Cash in County Treasury

Policies and Practices

The Organization is a voluntary participant in an external investment pool. The fair value of the Organization 's investment in the pool is reported in the financial statements at amounts based upon the Organization's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded on an amortized cost basis and is based on the accounting records maintained by the County Treasurer.

General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest Organization funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the *California Government Code*:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Cash in County Treasury, continued

Interest Rate Risk
Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Organization has managed its exposure to interest rate risk by investing in the County Treasury. The Organization's investments in the Orange County Investment Pool, which combines the Organization's share of the portfolio, has combined fair value of $259,012 and $641,579 and amortized book value of $261,409 and $645,191 as of June 30, 2025 and 2024, respectively.

Fair Value Measurement
Investments in the Orange County Treasury investment pools are not measured using the fair value input levels noted in Note 1. The investment is considered uncategorized because the Organization's transactions are based on a stable net asset value per share. All contributions and redemptions are transactions at $1.00 net asset value per share.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	2025	2024
Financial assets, at year-end:		
Cash and cash equivalents	$ 3,752,098	$ 3,622,709
Accounts receivable	1,603,043	659,121
Financial assets available to meet cash needs for general expenditures within one year	$ 5,355,141	$ 4,281,830

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025 and 2024, consists of the following:

	2025	2024
Federal sources	$ 93,793	$ 187,598
State lottery	9,713	38,492
Other state sources	166,974	66,357
LCFF - State Aid	271,627	-
LCFF - local property taxes	403,454	245,005
Due from affiliates*	137,090	77,786
Other local sources	520,392	43,883
Total Accounts Receivable	$ 1,603,043	$ 659,121

*Refer to Note 8 regarding related party transactions.

NOTE 5 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2025, consists of the following:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital Assets Being Depreciated				
Buildings and improvements	$ 196,503	$ 44,571	$ -	$ 241,074
Furniture and equipment	15,240	-	-	15,240
Total Capital Assets Being Depreciated	211,743	44,571	-	256,314
Less: Accumulated Depreciation	(27,716)	(16,148)	-	(43,864)
Capital Assets, Net	$ 184,027	$ 28,423	$ -	$ 212,450

A summary of activity related to capital assets during the year ended June 30, 2024, consists of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets Being Depreciated				
Buildings and improvements	$ 134,996	$ 61,507	$ -	$ 196,503
Furniture and equipment	15,240	-	-	15,240
Total Capital Assets Being Depreciated	150,236	61,507	-	211,743
Less: Accumulated Depreciation	(15,451)	(12,265)	-	(27,716)
Capital Assets, Net	$ 134,785	$ 49,242	$ -	$ 184,027

NOTE 6 – LEASES

The Organization leases certain real property for the operation of charter schools with various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through year 2026 and provide renewal options. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The agreements generally require the Organization to pay insurance and repairs.

The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The Organization has elected the short-term lease exemption for all leases with a term of twelve (12) months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization has real property short term lease agreements for the years ended June 30, 2025 and 2024.

The Organization elected the practical expedient to not separate lease and non-lease components for real estate leases.

NOTE 6 – LEASES, continued

Total lease costs for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Operating lease cost	$ 272,364	$ 272,364

The following table summarizes the supplemental cash flow information for the years ended June 30, 2025 and 2024:

	2025	2024
Operating cash flows from operating leases	$ 272,364	$ 272,364

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	2025	2024
Weighted-average remaining lease term:		
Operating leases	1 year	2 years

Weighted-average discount rate:	2025	2024
Operating leases	5%	5%

The future minimum lease payments under non-cancelable operating leases with terms greater than one year are listed below as of June 30, 2025 and 2024.

Year Ended June 30, 2025	Operating lease
2026	$ 249,667
Total lease payments	249,667
Less: Interest	(5,116)
Present value of lease liabilities	$ 244,551

Year Ended June 30, 2024	Operating lease
2025	$ 272,364
2026	249,667
Total lease payments	522,031
Less: Interest	(23,149)
Present value of lease liabilities	$ 498,882

NOTE 7 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2025 and 2024, consists of the following:

	2025	2024
Vendor payables	$ 138,933	$ 55,678
Accrued payroll expenses	50,170	44,331
Due to affiliates*	133,691	228,709
Total Accounts Payable	$ 322,794	$ 328,718

*Refer to Note 8 regarding related party transactions.

NOTE 8 – RELATED PARTY TRANSACTIONS

Authorizing Agency

The Organization makes payments to the authorizing agency, Orange County Office of Education, to provide required services for oversight. Fees associated with oversight consisted of one percent of revenue from local control funding formula sources (state aid and in-lieu property taxes). Total fees payable to the authorizing agency for oversight amounted to $29,651 and $58,540 for the years ended June 30, 2025 and 2024, respectively.

Affiliated Organizations

Springs Charter Schools, Inc.
Springs Charter Schools, Inc. ("SCS, Inc.") is a nonprofit public benefit corporation organized for the purpose of advancing charter schools within the Springs network of schools. Per the Organization's bylaws, SCS Inc.'s status as the sole statutory member of the Organization provides the right to elect or appoint members of the Board of Directors. SCS Inc. is also the sole statutory member of Empire Springs Charter School, Inc. and Harbor Springs Charter School, separate nonprofit organizations each operating California public charter schools.

Harbor Springs Charter School
As mentioned, Harbor Springs Charter School is a separate nonprofit organization sharing the same sole statutory member as the Organization.

During the years ended June 30, 2025 and 2024, the Organization had $146 and $853 expenses, respectively, payable to Harbor Springs Charter School for reimbursable items.

Empire Springs Charter School, Inc.
As mentioned, Empire Springs Charter School, Inc. is a separate nonprofit organization sharing the same sole statutory member as the Organization.

Empire Springs Charter School, Inc. sublets the facility in Santa Ana to the Organization. During the years ended June 30, 2025 and 2024, the Organization incurred expenses totaling $12,696 and $31,533, respectively, payable to Empire Springs Charter School, Inc. for rent and other reimbursable items. A receivable in the amount of $446 and $32,587, respectively, were also due from Empire Springs Charter School, Inc. as of June 30, 2025 and 2024.

NOTE 8 – RELATED PARTY TRANSACTIONS, continued

Affiliated Organizations, continued

River Springs Charter School

River Springs Charter School is a separate nonprofit organization that does not hold the same relationship with Springs Charter Schools, Inc. for its corporate structure. River Springs Charter School holds a memorandum of understanding (MOU) with the Organization as well as Empire Springs Charter School, Inc. and Harbor Springs Charter School for senior leadership whereby, the charter schools under Springs Charter Schools, Inc. share senior leadership employees with River Springs Charter School. The Organization directly pays its proportionate share of salaries and benefits to the employees in senior leadership positions. Senior leadership includes Assistant Superintendents for the following departments: Business, Administrative Operations, Personnel, Pupil Services, Education-Academies, Homeschool/Personalized Learning, and IT/Facilities. The MOU also allows for other on-loan employees, as necessary. The Superintendent holds a contract, separate than that of the MOU, that is approved by each charter school's Board of Directors.

During the years ended June 30, 2025 and 2024, the Organization incurred $120,701 and $196,294, respectively, in expenses payable to River Springs Charter School for services or reimbursable items. A receivable in the amount of $136,042 and $42,543, respectively, were also due from River Springs Charter School as of June 30, 2025.

NOTE 9 – DONATED MATERIALS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to the Organization in an effort to advance the Organization's programs and objectives. These services have not been recorded in the Organization's financial statements because they do not meet the criteria required by generally accepted accounting principles.

NOTE 10 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Organization has made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and non-certificated employees are members of the California Public Employees' Retirement System (CalPERS). The Organization also offers social security as an alternative plan for employees who may not qualify for CalSTRS or CalPERS retirement plans.

California State Teachers' Retirement System (CalSTRS)

Plan Description

The Organization contributes to the California State Teachers' Retirement System (CalSTRS), a cost sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, California 95826 or www.calstrs.com.

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The required employer contribution rate for fiscal year 2025 and 2024 was 19.1% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalSTRS for the last five fiscal years were as follows:

	Contribution	Percent of Required Contribution
2024-25	$ 414,244	100%
2023-24	$ 422,772	100%
2022-23	$ 318,856	100%
2021-22	$ 236,905	100%
2020-21	$ 166,616	100%

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for the Organization which is computed as the proportionate share of total fiscal year 2025 and 2024 State on-behalf contributions are estimated at $211,354 and $158,962 respectively.

NOTE 10 – EMPLOYEE RETIREMENT PLANS, continued

California Public Employees' Retirement System (CalPERS)

Plan Description

The Organization contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811 or www.calpers.ca.gov.

Funding Policy

Active plan members, who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA), specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution for fiscal year 2025 and 2024 was 27.05% and 26.68%, respectively. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalPERS for the last five fiscal years were as follows:

	Contribution	Percent of Required Contribution
2024-25	$ 136,254	100%
2023-24	$ 96,391	100%
2022-23	$ 86,638	100%
2021-22	$ 91,854	100%
2020-21	$ 84,819	100%

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Governmental Funds

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Joint Powers Agency (JPA)

During the year ended June 30, 2025 and 2024, The Organization participated in a joint venture with CharterSafe. CharterSafe arranges for insurance coverage related to property, general liability, automobile, worker's compensation, and other miscellaneous liability coverage specific to operation of a charter school. The relationship between the Organization and the JPA is such that the JPA is not financially inter-related to the Organization for financial reporting purposes.

Multi-employer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the Organization's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Organization to make payments to the plan, which would approximate the Organization's proportionate share of the multiemployer plan's unfunded vested liabilities. CalSTRS has estimated that the Organization's share of withdrawal liability is $2,281,402 and $2,074,212 or a proportionate share of 0.00340% and 0.00272% as of June 30, 2025 and 2024, respectively. Also, as of June 30, 2025 and 2024, CalPERS has estimated the Organization's share of withdrawal liability to be $758,323 and $640,488 or a proportionate share of 0.002122% and 0.001769%, respectively. The Organization does not currently intend to withdraw from CalSTRS or CalPERS. Refer to Note 10 for additional information on employee retirement plans.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for the period from June 30, 2025, through December 3, 2025, the date the financial statements were available to be issued. Subsequent to year-end, the Orange County Department of Education approved the opening of Orange Springs charter School, a new charter to be operated by the Organization which is expected to commence operations int eh 2025-26 school year. Other than this matter, no subsequent events have been identified that require disclosure,

SUPPLEMENTARY INFORMATION

CITRUS SPRINGS CHARTER SCHOOL, INC.
CHARTER ORGANIZATIONAL STRUCTURE
JUNE 30, 2025

Citrus Springs Charter School, Inc., (the "Organization") located in Orange County, was formed as a nonprofit public benefit corporation on March 9, 2015 to operate Citrus Springs Charter School (the "Charter") as a public charter school. The Charter was authorized to operate as a charter school through the Orange County Office of Education in 2016, and the Charter was then renewed by through June 30, 2027. During fiscal year 2025, the Charter served approximately 477 students in grades TK to 12. The Charter's charter number is 1831.

GOVERNING BOARD

Name	Office	Term Expiration
Pam Rivas	Chair	June 30, 2026
Eugene Dokes	Vice Chair	June 30, 2025
Michael Solomon	Treasurer	June 30, 2026
Jessica Large	Secretary	June 30, 2025
Cheryl LaCount	Director	June 30, 2026
Charlene Ponzio	Director	June 30, 2025
Kellie Caldwell-Woodson	Director	June 30, 2025

ADMINISTRATION

Dr. Kathleen Hermsmeyer *Superintendent*	Amy Podratz *Assistant Supt., Administrative Operations*	Tanya Rogers *Assistant Supt., Business*
Dr. Vivian Price *Assistant Supt., Education*	Michelle Sapanara *Assistant Supt., Pupil Services*	Virginia Smith *Assistant Supt., Human Resources*

CITRUS SPRINGS CHARTER SCHOOL, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025

	Second Period Report	Annual Report
	Classroom Based ADA	
Grades TK/K through 3	22.60	22.28
Grades 4 through 6	31.26	32.11
Grades 7 and 8	24.85	26.05
Total Classroom Based ADA	78.71	80.44
	Non-Classroom Based ADA	
Grades TK/K through 3	228.82	231.02
Grades 4 through 6	83.96	83.82
Grades 7 and 8	38.12	38.95
Grades 9 through 12	31.60	32.23
Total Non-Classroom Based ADA	382.50	386.02
	Total ADA	
Grades TK/K through 3	251.42	253.30
Grades 4 through 6	115.22	115.93
Grades 7 and 8	62.97	65.00
Grades 9 through 12	31.60	32.23
Total Average Daily Attendance	461.21	466.46

See accompanying note to supplementary information.

CITRUS SPRINGS CHARTER SCHOOL, INC.
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

Grade Level	Minutes Requirement	2024-25 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	55,895	175	N/A	Complied
Grade 1	50,400	55,895	175	N/A	Complied
Grade 2	50,400	55,895	175	N/A	Complied
Grade 3	50,400	55,895	175	N/A	Complied
Grade 4	54,000	55,895	175	N/A	Complied
Grade 5	54,000	55,895	175	N/A	Complied
Grade 6	54,000	55,895	175	N/A	Complied
Grade 7	54,000	55,895	175	N/A	Complied
Grade 8	54,000	55,895	175	N/A	Complied

See accompanying note to supplementary information.

CITRUS SPRINGS CHARTER SCHOOL, INC.
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

There were no reconciling items to the audited financial statements for the year ended June 30, 2025.

NOTE 1- PURPOSE OF SCHEDULES

A. Charter Organizational Structure

This schedule provides information about the Organization's authorizing agency, grades served, members of the governing body, and members of the administration.

B. Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

C. Schedule of Instructional Time

The Organization receives, as part of their local control funding formula sources, incentive funding for maintaining instructional time. This schedule presents information on the number of instructional days offered by the Organization and whether the Organization complied with the provisions of *Education Code Section* 47612.5.

D. Reconciliation of Annual Financial and Budget Report (Unaudited Actuals) with Audited Financial Statements

This schedule provides the information necessary to reconcile fund balance reported in the Charter Schools Enterprise Fund on the Annual Financial and Budget Report (Unaudited Actuals) to net assets on the audited financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

CWDL

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

To the Board of Directors
Citrus Springs Charter School, Inc.
Temecula, California

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 Citrus Springs Charter School, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended and the related notes to financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Controls Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

CWDL

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAM

To the Board of Directors
Citrus Springs Charter School, Inc.
Temecula, California

Report on State Compliance

Opinion on State Compliance

We have audited Citrus Springs Charter School, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of the Organization's state programs for the year ended June 30, 2025, as identified below.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's compliance with the requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS*, Government Auditing Standards,* and *the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Coursed Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Not applicable
BZ. Expanded Learning Opportunities Grant (ELO-G)	Not applicable
CZ. Career Technical Education Incentive Grant	Not applicable
DZ. Expanded Learning Opportunities Program	Not applicable
EZ. Transitional Kindergarten	Not applicable
FZ. Kindergarten Continuance	Yes

PROGRAM NAME	PROCEDURES PERFORMED
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Not applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes - Classroom Based	Yes
FF. Charter School Facility Grant Program	Yes

The term not applicable above is used to mean the Organization did not offer the program during the fiscal year or did not receive any funding for the program.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 3, 2025

FINDINGS AND QUESTIONED COSTS SECTION

CITRUS SPRINGS CHARTER SCHOOL, INC.
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

This Organization did not expend more that $750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant Guidance is not applicable.

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

CITRUS SPRINGS CHARTER SCHOOL, INC.
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control

There were no audit findings related to the financial statements during 2024-25.

CITRUS SPRINGS CHARTER SCHOOL, INC.
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no audit findings and questioned costs related to state awards during 2024-25.

CITRUS SPRINGS CHARTER SCHOOL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

There were no audit findings or questioned costs during 2023-24.