SAMSULA ACADEMY
NEW SMYRNA BEACH, FLORIDA
(A CHARTER SCHOOL AND COMPONENT
UNIT OF THE SCHOOL BOARD OF VOLUSIA
COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2026

SAMSULA ACADEMY
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SAMSULA ACADEMY
(A Charter School and Component Unit of the School Board of Volusia County, Florida)
248 N. Samsula Drive
New Smyrna Beach, FL 32168
(386) 210-4915

2025-2026

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Samsula Academy
New Smyrna Beach, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Samsula Academy (the "School"), a charter school and component unit of the District School Board of Volusia 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Samsula Academy, 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 Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2026 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Verdeja · Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2026

Management's Discussion and Analysis
Samsula Academy
June 30, 2026

The corporate officers of Samsula Academy (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

FINANCIAL HIGHLIGHTS

1. At year-end, the School had current assets of $573,247.
2. The School reported a change in net position of $249,485 during the year ended June 30, 2026 and an ending net position of $1,340,823 at June 30, 2026.
3. The School reported a change in fund balance of $325,667 and an ending fund balance of $501,312 for the year ending and at June 30, 2026, respectively.

During the year, the School established and strengthened its independent accounting, banking, payroll, budgeting, purchasing, financial reporting, and internal control processes.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2026 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required 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. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Fund Financial Statements (Continued)
Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to Financial Statements
The notes to the financial statements 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 on pages 16 - 22 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the School's financial position. A summary of the School's net position as of June 30, 2026 and 2025:

Assets	2026	2025
Cash and cash equivalents	$ 532,377	$ 151,307
Due from District	8,244	-
Prepaid expenses	32,626	399
Due from Reading Edge Academy	-	42,562
Inventory	-	2,590
Deposits	-	11,890
Capital assets, net	939,511	1,015,693
Total Assets	$ 1,512,758	$ 1,224,441
Liabilities and Net Position		
Accounts payable and accrued expenses	$ 71,935	$ 33,103
Loan payable	100,000	100,000
Total Liabilities	171,935	133,103
Net investment in capital assets	939,511	1,015,693
Restricted	115,450	-
Unrestricted	285,862	75,645
Total Net Position	1,340,823	1,091,338
Total Liabilities and Net Position	$ 1,512,758	$ 1,224,441

At June 30, 2026, the School's total assets were $1,512,758 and total liabilities were $171,935. At June 30, 2026, the School reported a total net position of $1,340,823.

During fiscal year 2026, the School's financial position improved following the resolution of a legal dispute with its former management company and its transition to self-management with support from a back-office service provider. The transition resulted in reduced fiscal services costs. Certain revenues and expenditures were also reclassified during fiscal year 2026 to more appropriately align with applicable reporting classifications and Red Book function and object codes. These changes included the classification of LCIR funding as state capital outlay rather than FEFP nonspecific revenue and the allocation of salaries among the applicable functions rather than primarily within instruction. In addition, fiscal year 2025 included forgiveness of the Reading Edge obligation upon satisfaction of the applicable contractual time requirement.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and June 30, 2025:

REVENUES	2026	2025
Program Revenues:		
Revenues from federal sources	$ 8,061	$ 67,782
State capital outlay funding	168,443	93,905
Charges for services	158,011	131,593
General Revenues:		
FEFP nonspecific revenue	1,191,587	1,335,206
Other revenue	162,847	165,769
Interest income	-	2,029
Reading Edge Academy loan forgiveness	-	367,362
Total Revenues	1,688,949	2,163,646
EXPENSES		
Instruction	716,502	1,012,086
Student support services	667	-
Board	3,013	-
General administration	59,687	20,822
School administration	292,237	170,570
Facilities acquisition and construction	1,765	-
Fiscal services	32,128	158,018
Food services	48,501	49,779
Operation of plant	160,968	319,618
Maintenance of plant	42,641	-
Community services	77,394	-
Administrative technology services	3,961	-
Other programs and services	-	61,016
Unallocated depreciation	-	87,975
Total Expenses	1,439,464	1,879,884
Change in Net Position	249,485	283,762
Net Position at Beginning of Year	1,091,338	807,576
Net Position at End of Year	$ 1,340,823	$ 1,091,338

The School's total revenues for the year ended June 30, 2026 were $1,688,949 while its total expenses were $1,439,464 for a net increase of $249,485. Because fiscal year 2025–2026 represents the School's first year operating under its independent nonprofit structure, prior-year financial information may not be directly comparable.

For the year ended June 30, 2026 and 2025, the School reported total revenues of $1,688,949 and $2,163,646, respectively. Fiscal year 2025 included a one-time loan forgiveness of $367,362. The remaining difference resulted primarily from adjustments in FEFP nonspecific revenue applied in 2026 that related to 2025.

For the year ended June 30, 2026 and 2025, the School reported total expenses of $1,439,464 and $1,879,884, respectively due to cost saving initiatives and increased control over budget management.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The School's financial outlook is primarily influenced by student enrollment, state and local education funding, personnel costs, insurance, facilities, and other operating expenses.

The fiscal year 2026–2027 budget assumes enrollment of approximately 180 students and total General Fund revenues of approximately $1,827,000.

The School will continue to monitor enrollment, revenues, expenditures, cash reserves, and capital needs throughout the year. Priorities include maintaining adequate operating reserves, addressing identified facility needs, and continuing to strengthen the School's financial and operational infrastructure.

CAPITAL IMPROVEMENT REQUIREMENT

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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.

For the year ended June 30, 2026, the School's governmental funds reported a net change in fund balance of $325,667 and reported a combined fund balance at year-end of $501,312.

CAPITAL ASSETS

At June 30, 2026, the School's investment in capital assets amounts to $939,511 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements, and furniture, fixtures and equipment.

GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local school district	$ 1,133,436	$ 1,191,587	$ 1,191,587
Federal passed through state	19,910	3,061	3,061
State capital outlay funding	168,389	168,443	168,443
Local and other revenue:			
Charges for services	-	158,011	158,011
Donations and fundraising	-	88,953	88,953
Other	264,915	78,894	78,894
TOTAL REVENUES	1,586,650	1,688,949	1,688,949
EXPENDITURES			
Instruction	821,617	716,502	716,502
Student support services	5,300	667	667
Board	2,908	3,013	3,013
General administration	-	59,687	59,687
School administration	205,238	195,955	195,955
Facilities acquisition and construction	168,389	21,865	21,865
Fiscal services	92,364	32,128	32,128
Food services	44,140	48,501	48,501
Operation of plant	294,848	160,968	160,968
Maintenance of plant	15,215	42,641	42,641
Community services	25,350	77,394	77,394
Administrative technology services	3,900	3,961	3,961
TOTAL EXPENDITURES	1,679,269	1,363,282	1,363,282
NET CHANGE IN FUND BALANCE	$ (92,619)	$ 325,667	$ 325,667

The School's budget was developed based on projected enrollment, anticipated state and local funding, staffing, and operating requirements.

Actual governmental fund revenues were $ 1,688,949 compared with the original budget of $1,586,650. Actual expenditures were $1,363,282 compared with the original budget of $1,679,269. The School focused on cost saving initiatives during the current year allowing for a reduction in cost from the budget.

SCHOOL LOCATION

The School operates in the New Smyrna area located at 248 N. Samsula Drive, New Smyrna Beach, FL 32168.

REQUESTS FOR INFORMATION

Questions concerning this report or requests for additional financial information should be directed to Samsula Academy at 248 N. Samsula Drive, New Smyrna Beach, FL 32168.

SAMSULA ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 532,377
Due from District	8,244
Prepaid expenses	32,626
TOTAL CURRENT ASSETS	573,247
CAPITAL ASSETS , NET	939,511
TOTAL ASSETS	$ 1,512,758
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	$ 31,876
Accrued payroll	40,059
Loan payable	100,000
TOTAL CURRENT LIABILITIES	171,935
TOTAL LIABILITIES	171,935
NET POSITION	
Net investment in capital assets	939,511
Restricted	115,450
Unrestricted	285,862
TOTAL NET POSITION	1,340,823
TOTAL LIABILITIES AND NET POSITION	$ 1,512,758

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

SAMSULA ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) and Changes in Net Position
Governmental Activities:					
Instruction	$ 716,502	$ -	$ 3,061	$ -	$ (713,441)
Student support services	667	-	-	-	(667)
Board	3,013	-	-	-	(3,013)
General administration	59,687	-	-	-	(59,687)
School administration	292,237	-	-	-	(292,237)
Facilities acquisition and construction	1,765	-	-	21,865	20,100
Fiscal services	32,128	-	-	-	(32,128)
Food services	48,501	20,647	-	-	(27,854)
Operation of plant	160,968	-	-	-	(160,968)
Maintenance of plant	42,641	-	-	146,578	103,937
Community services	77,394	137,364	5,000	-	64,970
Administrative technology services	3,961	-	-	-	(3,961)
Total Governmental Activities	$ 1,439,464	$ 158,011	$ 8,061	$ 168,443	$ (1,104,949)
		GENERAL REVENUES:			
		State through local school district			$ 1,191,587
		Local and other revenue			162,847
		Total general revenues			1,354,434
		Change in Net Position			249,485
		NET POSITION - BEGINNING			1,091,338
		NET POSITION - ENDING			$ 1,340,823

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

SAMSULA ACADEMY
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 425,171	$ 5,000	$ 102,206	$ 532,377
Due from District	-	-	8,244	8,244
Prepaid expenses	32,626	-	-	32,626
TOTAL ASSETS	$ 457,797	$ 5,000	$ 110,450	$ 573,247
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 31,876	$ -	$ -	$ 31,876
Accrued payroll	40,059	-	-	40,059
TOTAL CURRENT LIABILITIES	71,935	-	-	71,935
FUND BALANCE				
Non-spendable				
Prepaid expenses	32,626	-	-	32,626
Restricted	-	5,000	110,450	115,450
Unassigned	353,236	-	-	353,236
TOTAL FUND BALANCE	385,862	5,000	110,450	501,312
TOTAL LIABILITIES AND FUND BALANCE	$ 457,797	$ 5,000	$ 110,450	$ 573,247

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

SAMSULA ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds	$	501,312
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the fund.		939,511
Other liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds:		
Loan payable		(100,000)
Total Net Position - Governmental Activities	$	1,340,823

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

SAMSULA ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
State passed through local school district	$ 1,191,587	$ -	$ -	$ 1,191,587
Federal passed through state	-	3,061	-	3,061
State capital outlay funding	-	-	168,443	168,443
Local and other revenue:				
Charges for services	158,011	-	-	158,011
Donations and fundraising	83,953	5,000	-	88,953
Other	78,894	-	-	78,894
TOTAL REVENUES	1,512,445	8,061	168,443	1,688,949
EXPENDITURES				
Instruction	713,441	3,061	-	716,502
Student support services	667	-	-	667
Board	3,013	-	-	3,013
General administration	59,687	-	-	59,687
School administration	195,955	-	-	195,955
Facilities acquisition and construction	-	-	21,865	21,865
Fiscal services	32,128	-	-	32,128
Food services	48,501	-	-	48,501
Operation of plant	124,840	-	36,128	160,968
Maintenance of plant	42,641	-	-	42,641
Community services	77,394	-	-	77,394
Administrative technology services	3,961	-	-	3,961
TOTAL EXPENDITURES	1,302,228	3,061	57,993	1,363,282
NET CHANGE IN FUND BALANCE	210,217	5,000	110,450	325,667
Fund balance at beginning of year	175,645	-	-	175,645
Fund balance at end of year	$ 385,862	$ 5,000	$ 110,450	$ 501,312

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

SAMSULA ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Change in Fund Balance - Governmental Funds	$	325,667
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays		20,100
Depreciation expense		(96,282)
Change in Net Position of Governmental Activities	$	249,485

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Samsula Academy ("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 and is a component unit of the District School Board of Volusia County, Florida. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School's current charter is effective until June 30, 2031. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. 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 ninety days prior to the charter's expiration. The School contract provides in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2026, when 150 students were enrolled in grades Kindergarten through 5th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board ("GASB").

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

The School utilizes the following major governmental funds:

General Fund – is the School's primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital Projects Fund –this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines.*

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 *"Accounting and Financial Reporting for Non-Exchange Transactions."* On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due from Other Agencies

Due from other agencies consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources. Management has determined that amounts due from other agencies at June 30, 2026 are fully collectable and therefore, no allowance for uncollectable amounts has been recorded.

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are $5,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Asset Class	Estimated Useful Lives (years)
Improvements other than buildings	8-15
Buildings	40
Furniture, fixtures and equipment	3-10

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to ten days of active work during the ten-month period (a "benefit year"). Teachers are eligible for up to ten days of active work during the benefit year. Unused days may be carried forward for use in future benefit years.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2026 was $939,511.
- Restricted net position – consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. Restricted net position of $115,450 at June 30, 2026 consisted of grants and capital outlay funds.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2026, the School's non-spendable fund balance totaled $32,626.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2026, the School's restricted fund balance totaled $115,450.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. At June 30, 2026, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes, but do not meet the criteria to be classified as restricted or committed. At June 30, 2026, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

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

The School may also receive federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. This activity is recorded in the Special Revenue Fund and Capital Projects Fund, as applicable. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Adopted Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements* – During fiscal year 2026, the School implemented GASB Statement No. 103, which establishes revised requirements for management's discussion and analysis, budgetary comparison information, and certain financial statement presentation matters. The implementation of this Statement did not affect amounts reported in the School's financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – During fiscal year 2026, the School implemented GASB Statement No. 104, which requires separate disclosure of certain types of capital assets and establishes disclosure requirements for capital assets held for sale. The implementation of this Statement did not affect amounts reported in the School's financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 14, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – CASH DEPOSITS

It is the School's policy to maintain its cash and cash equivalents in a financial institution. Deposits at FDIC-insured financial institutions are insured up to $250,000 per depositor, per financial institution. As of June 30, 2026, the bank balances of the School's cash deposits was $532,376 and exceeded FDIC-insured limits by $282,376.

NOTE 4 – DUE FROM DISTRICT

The amount Due from District included in the accompanying statement of net position and balance sheet – governmental funds consists of state capital outlay funding due from the Volusia County School Board and recorded in the Capital Projects Fund. This receivable is considered to be fully collectible and, as such, no allowance for uncollectible amounts has been recorded. As of June 30, 2026, the amount due from district was $8,244.

NOTE 5 – CAPITAL ASSETS, NET

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

Capital assets:	Balance July 1, 2025	Additions	Disposals	Balance June 30, 2026
Land	$ 200,000	$ -	$ -	$ 200,000
Buildings and improvements	2,129,137	20,100	-	2,149,237
Furniture, fixtures, and equipment	211,427	-	-	211,427
Total capital assets	2,540,564	20,100	-	2,560,664
Less: accumulated depreciation				
Buildings and improvements	(1,371,225)	(85,383)	-	(1,456,608)
Furniture, fixtures, and equipment	(153,646)	(10,899)	-	(164,545)
Total accumulated depreciation	(1,524,871)	(96,282)	-	(1,621,153)
Capital assets, net	$ 1,015,693	$ (76,182)	$ -	$ 939,511

For the year ended June 30, 2026, depreciation expense was allocated in the statement of activities as follows:

Operation of plant	$ 96,282
Total	$ 96,282

NOTE 6 – LOAN PAYABLE

On June 9, 2025, a board member of the School entered into a loan agreement with Samsula Academy Charter School, Inc. pursuant to which the lender advanced $100,000 to the School. The loan bears interest at a fixed rate of 4.0% per annum, calculated based on a 365-day year and the actual number of days elapsed. The outstanding principal balance together with all accrued interest is due in a single payment on July 8, 2026. Subsequent to June 30, 2026, the School amended the loan agreement to extend the maturity date to July 31, 2027. All other terms and conditions of the loan agreement remained unchanged.

The agreement provides the lender with the option, at any time prior to or on the maturity date, to convert all or a portion of the outstanding principal and accrued interest into a contribution to the School. Any amount converted is considered irrevocably forgiven and no further repayment obligation exists with respect to the forgiven portion. Conversion requires written notice from the lender specifying the amount to be forgiven.

The balance of the loan payable as of June 30, 2026 was $100,000.

NOTE 7 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

NOTE 8 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

NOTE 9 – RESOLUTION WITH READING EDGE ACADEMY

On April 15, 2025, the School agreed to a resolution with Reading Edge Academy to separate as legal entities. Effective July 1, 2025, Reading Edge Academy assigned and transferred all its assets and liabilities relating to the School to the newly formed legal entity. Per terms of the resolution, each school began operating independently, with separate governance, management, and financial reporting responsibilities in the new fiscal year. As such, the amounts and activities of the School included in these financial statements are solely that of the School. The two entities have discontinued their relationship.

REQUIRED SUPPLEMENTARY INFORMATION

SAMSULA ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State passed through local school district	$ 1,133,436	$ 1,191,587	$ 1,191,587	$ 58,151	$ -
Local and other revenue:					
Charges for services	-	158,011	158,011	158,011	-
Donations and fundraising	-	83,953	83,953	83,953	-
Other	264,915	78,894	78,894	(186,021)	-
TOTAL REVENUES	1,398,351	1,512,445	1,512,445	114,094	-
EXPENDITURES					
Instruction	801,707	713,441	713,441	(88,266)	-
Student support services	5,300	667	667	(4,633)	-
Board	2,908	3,013	3,013	105	-
General administration	-	59,687	59,687	59,687	-
School administration	205,238	195,955	195,955	(9,283)	-
Fiscal services	92,364	32,128	32,128	(60,236)	-
Food services	44,140	48,501	48,501	4,361	-
Operation of plant	294,848	124,840	124,840	(170,008)	-
Maintenance of plant	15,215	42,641	42,641	27,426	-
Community services	25,350	77,394	77,394	52,044	-
Administrative technology services	3,900	3,961	3,961	61	-
TOTAL EXPENDITURES	1,490,970	1,302,228	1,302,228	(188,742)	-
NET CHANGE IN FUND BALANCE	$ (92,619)	$ 210,217	$ 210,217	$ 302,836	$ -

See accompanying note to the required supplementary information.

SAMSULA ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
Federal passed through state	$ 19,910	$ 3,061	$ 3,061	$ (16,849)	$ -
Local and other revenue:					
Donations and fundraising	-	5,000	5,000	5,000	-
TOTAL REVENUES	19,910	8,061	8,061	(11,849)	-
EXPENDITURES					
Instruction	19,910	3,061	3,061	(16,849)	-
TOTAL EXPENDITURES	19,910	3,061	3,061	(16,849)	-
NET CHANGE IN FUND BALANCE	$ -	$ 5,000	$ 5,000	$ 5,000	$ -

See accompanying note to the required supplementary information.

SAMSULA ACADEMY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the object level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles.

Significant budgetary variances

The original budget was based on information provided by the School's former management company. During the year, the School revised its budget to more appropriately classify certain revenues and expenditures. Instruction expenditures were revised primarily due to lower textbook costs and the reclassification of before- and after-care expenditures, including related salaries. General administration was revised to separately identify the district administrative fee and improve cash flow projections. Fiscal services expenditures were significantly reduced following the termination of fees paid to the former management company. In addition, the original operation of plant budget included expenditures that were subsequently reclassified between operation of plant and maintenance of plant.

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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*

Board of Directors of
Samsula Academy
New Smyrna Beach, 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 Samsula Academy (the "School") 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 14, 2026.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2026

Verdeja • Alvarez
Certified Public Accountants & Advisors
Octavio F. Verdeja, Founder - 1971

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MANAGEMENT LETTER

Board of Directors of
Samsula Academy
New Smyrna Beach, Florida

Report on the Financial Statements
We have audited the financial statements of Samsula Academy (the "School"), a charter school sponsored by the District School Board of Volusia County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 14, 2026.

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

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 14, 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. The following is a finding reported in the preceding financial audit report:

2025-002: General Fund and Capital Fund Budgetary Compliance—Corrective action taken.

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 are Samsula Academy and #7951.

Financial Condition and Management
Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet 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. The financial condition assessment procedures applied in connection with our audit, have led us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

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 the information specified in Section 1002.33(9)(p), Florida Statutes on its Web site.

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

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2026