THE CHILES ACADEMY, INC.

Basic Financial Statements and
Required Supplemental Information

For the year ended
June 30, 2026

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
Government - Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16-24
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	25
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Capital Outlay Fund	26
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Child Care Nutrition Special Revenue Fund	27
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Other Governmental Funds	28
Note to Required Supplemental Information	29
SUPPLEMENTAL INFORMATION	
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*	30-31
MANAGEMENT LETTER	32-33
MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES	34

MKA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors,
The Chiles Academy, Inc.
Daytona Beach, Florida

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chiles Academy, Inc. (the School), which is a component unit of the Volusia County District School Board of 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.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the School, as of June 30, 2026, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, and Major Funds

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

Basis for Qualified and Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information 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 qualified and unqualified audit opinions.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

Basis for Qualified and Unmodified Opinions (continued)

Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Bonner Chiles Foundation, Inc. (the "Foundation") have not been audited, and we were not engaged to audit the Foundation's financial statements as part of our audit of the School's basic financial statements. The Foundation's financial activities are not included in the School's basic financial statements as a discreetly presented component unit as required by accounting principles generally accepted in the United States of America.

If the financial activities of the Foundation had been included, total net position of the School's discretely presented component unit would be increased by $10,826 as of June 30, 2026 and the change in net position would be decreased by $4,050 for the year then ended.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 9 and 25 to 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Chiles Academy, Inc.'s (the School) financial performance provides an overview of the School's financial activities. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements, which follow this section. The basic financial statements include only operations of the School itself, which is a component unit of the Volusia County District School Board. The Volusia County District School Board includes the operations of the School in their operations.

FINANCIAL HIGHLIGHTS

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by $935,124 (net position). Of this amount, $451,357 (unrestricted) may be used to meet the School's ongoing obligations.
- The School's total net position increased by $197,485 based on current year activities. The School had total expenses for the year of $2,181,401 compared to revenues of $2,378,886.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of $567,096, a increase of $273,422 in comparison with the prior year. Approximately 99%, or $559,785 of the total amount, is unassigned fund balance and is available for spending at the School's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with information about the activities of the School as a whole and a broad overview of the School's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the School's net position changed during the fiscal year. This statement is shown using the accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements distinguish functions of the School that are principally supported by school board and federal funding, both of which are governmental activities. The governmental activities of the School include basic instruction, exceptional instruction, guidance services, health services, media services, curriculum development, staff development, general administration, school administration, fiscal services, food services, transportation, operation of plant, maintenance of plant, parental involvement, other programs and services, and unallocated depreciation.

The School has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

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

Governmental funds

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

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

The School maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds. The General Fund, the Capital Outlay Fund, the Child Care Nutrition special revenue funds, and the Other Governmental Funds are considered major funds of the School.

The School adopts an annual budget for all of its funds. Budgetary comparison schedules have been provided for the major funds to demonstrate compliance with these budgets.

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

Notes to the financial statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. The School's total assets exceeded total liabilities by $935,124 (total net position) at June 30, 2026, which was a increase of $197,485 from the previous year.

The following is a summary of the School's net position as of June 30, 2026, compared to the net position as of June 30, 2025:

The Chiles Academy, Inc.
Condensed Statement of Net Position

	Governmental Activities	
	June 30, 2026	June 30, 2025
ASSETS		
Non-capital assets	$ 582,332	$ 314,195
Capital assets, net	483,767	449,524
Other assets - Deposits	16,476	16,476
Total assets	1,082,575	780,195
LIABILITIES		
Current liabilities	147,451	42,554
Total liabilities	147,451	42,554
NET POSITION		
Net investment in capital assets	483,767	449,524
Unrestricted	451,357	288,117
Total net position	$ 935,124	$ 737,641

Net position includes investments in capital assets less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The School reports $483,767 in net investment in capital assets at June 30, 2026, an increase of $34,245 from the prior year.

The remaining net position is divided between restricted and unrestricted. Restricted net position represents those assets net of related liabilities that are restricted to uses specified by third parties, primarily federal grantor agencies. The restricted net position of the School remained at zero at June 30, 2026. Unrestricted net position may be used to meet the School's ongoing obligations. Unrestricted net position totaled $451,357 at June 30, 2026, a increase of $163,240 from the prior year.

Key elements of the changes in the School's net position for the fiscal years ended June 30, 2026 and 2025, are as follows:

The Chiles Academy, Inc.
Statement of Activities

	Governmental Activities	
	2026	**2025**
Program revenues:		
Charges for services	$ 223,365	$ 435,731
Operating grants and contributions:		
Federal grants	147,117	78,996
Other grants and donations	347,343	549,375
General revenues:		
Volusia County District School Board	1,646,937	707,658
Other income	14,124	843
Total revenues	2,378,886	1,772,603
Program expenses:		
Basic instruction	265,189	382,173
Exceptional instruction	20,877	35,870
Prekindergarten instruction	211,328	-
Guidance services	136,962	126,413
Health services	8,960	520
Staff development	3,316	19,413
General administration	-	9,838
Board	100,627	-
School administration	311,383	284,060
Fiscal services	118,639	182,062
Food services	196,299	157,496
Transportation	17,029	12,154
Operation of plant	239,813	222,260
Maintenance of plant	15,987	27,041
Community services	453,582	-
Other programs and services	16,585	424,637
Unallocated depreciation	64,825	45,592
Total expenses	2,181,401	1,929,529
Change in net position	197,485	(156,926)
Net position - beginning	737,639	894,565
Net position - ending	$ 935,124	$ 737,639

Governmental activities of the School generated $494,460 in operating grants and contributions, and $1,646,937 of general revenues, and incurred $2,181,401 of program expenses. Additional revenues totaling $237,489 were generated by charges of $223,365 for contracted childcare services and $14,124 of other income. Additional expenses totaling $765,537 were incurred in relation to the prekindergarten instruction, community services, and board which were offset by less expenses for other programs and services. This resulted in an overall $197,485 increase in net position.

Total revenues increased from $1,772,603 in the 2024-2025 school year to $2,378,886 in the 2025-2026 school year ended June 30, 2026. This increase in revenue was the result of a combination of factors. The largest increase was in the area of School Board revenues which includes the FEFP Program, which resulted in a revenue increase of $939,279. The net per-pupil funding for a Full Time Equivalent student by the State of Florida increased during the year but due to a increase in the number of students caused an overall increase in expense for other programs and services. Charges for service showed a large decrease due to less contracted childcare clients and an increased number of children being served, also there was a change in how items were grouped for general administration, and other programs and services.

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 School's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the School's four (4) governmental funds reported combined ending fund balances of $567,096, a increase of $273,422 in comparison with the prior year. Approximately 99% of this total, or $559,785, constitutes unassigned fund balance, which is available for spending at the School's discretion. Of the remainder of fund balance, $7,311 or 1% is non-spendable relating to prepaid items.

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was $447,340, which represents 25% of total General Fund expenditures and transfers out for the fiscal year 2026. The total fund balance of the School's general fund increased by $160,977, from $293,674 to $454,651, during the current fiscal year.

The Capital Outlay Fund is the operating fund of the School related to upgrades, repairs and maintenance for the School's building. At the end of the current fiscal year, unassigned fund balance of the Capital Outlay Fund was $112,445. The total fund balance of the School's capital outlay fund increased by $112,445, from $0 to $112,445, during the current fiscal year

The Child Care Nutrition special revenue funds and Other Governmental funds are the funds used to account for revenues and expenditures of grant activities. There were no changes in each of the special revenue fund's fund balance in the current fiscal year. However, due to the excess of expenditures over revenues, The School was required to transfer in money from the General Fund to the Child Care Nutrition special revenue fund in the amount of $19,224.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget reflects a increase of $591,782 in revenues from the original budget as the final budget was amended to match actual. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates used to prepare the original budget once exact information is available, 2) amendments made to recognize changes in funding amounts, and 3) changes in appropriations that become necessary to maintain services.

The budgetary information can be found listed on pages 25 – 29 on this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The School's investment in capital assets for its governmental activities as of June 30, 2026, amounted to $482,767 (net of accumulated depreciation). This investment in capital assets includes buildings, land, leasehold improvements, and furniture, fixtures, and equipment. The increase of $34,245 from the previous year is primarily the result of additions of $99,070 being more than depreciation of $64,825.

The following is a summary of capital assets as of June 30, 2026 and 2025:

The Chiles Academy, Inc.
Capital Assets
(Net of Depreciation)

	Governmental Activities 2026	Governmental Activities 2025
Leasehold improvements	$ 31,076	$ 49,838
Furniture, fixtures and equipment	14,911	90,690
Construction in process	1,000	-
Buildings	426,780	298,994
Land	10,000	10,000
Total	$ 483,767	$ 449,522

Additional information on the School's capital assets can be found in Note (3) on page 21 of this report.

ECONOMIC FACTORS

With the exception of the above paragraph, we are currently not aware of any conditions that are expected to have a significant effect on the School's financial position or results of operations.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The Chiles Academy, Inc. 868 George W. Engram Boulevard, Daytona Beach, FL 32114.

The Chiles Academy, Inc.

STATEMENT OF NET POSITION

June 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 542,924
Accounts receivable, net	30,337
Prepaids	7,311
Due from Bonner Chiles Foundation	1,760
Capital assets:	
Land	10,000
Other capital assets, net of depreciation	473,767
	483,767
Deposits	16,476
Total assets	1,082,575
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	40,420
Deferred revenue	107,031
Total current liabilities	147,451
NET POSITION	
Net investment in capital assets	483,767
Unrestricted	451,357
Total net position	$ 935,124

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

The Chiles Academy, Inc.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
Basic instruction	$ 265,189	$ -	$ 11,970	$ -	$ (253,219)
Exceptional instruction	20,877	-	-	-	(20,877)
Prekindergarten instruction	211,328	-	-	-	(211,328)
Guidance support	136,962	-	-	-	(136,962)
Health services	8,960	-	-	-	(8,960)
Staff development	3,316	-	-	-	(3,316)
Board	100,627	-	-	-	(100,627)
School administration	311,383	-	-	-	(311,383)
Fiscal services	118,639	-	-	-	(118,639)
Food services	196,299	92,838	250,990	-	147,529
Transportation	17,029	-	-	-	(17,029)
Operation of plant	239,813	7,108	-	147,117	(85,588)
Maintenance of plant	15,987	-	-	-	(15,987)
Community services	453,582	-	-	-	(453,582)
Other programs and services	16,585	123,419	84,383	-	191,217
Unallocated depreciation	64,825	-	-	-	(64,825)
Total governmental activities	$ 2,181,401	$ 223,365	$ 347,343	$ 147,117	(1,463,576)
General revenues					
Volusia County School Board					1,646,937
Other revenue					
Other income					14,124
Total general and other revenues					1,661,061
Change in net position					197,485
Net position at July 1, 2025					737,639
Net position at June 30, 2026					$ 935,124

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

The Chiles Academy, Inc.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Capital Outlay Fund	Child Care Nutrition Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 542,924	$ -	$ -	$ -	$ 542,924
Accounts receivable, net	-	11,859	10,047	8,431	30,337
Deposits	16,476	-	-	-	16,476
Prepaids	7,311	-	-	-	7,311
Due from Bonner Chiles Foundation	1,760	-	-	-	1,760
Due from other funds	-	100,586	-	-	100,586
Total assets	$ 568,471	$ 112,445	$ 10,047	$ 8,431	$ 699,394
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	$ 31,712	$ -	$ -	$ -	$ 31,712
Due to other funds	82,108	-	10,047	8,431	100,586
Total liabilities	113,820	-	10,047	8,431	132,298
FUND BALANCES					
Nonspendable for:					
Prepaids	7,311	-	-	-	7,311
Unassigned	447,340	112,445	-	-	559,785
Total fund balances	454,651	112,445	-	-	567,096
Total liabilities and fund balances	$ 568,471	$ 112,445	$ 10,047	$ 8,431	$ 699,394

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

The Chiles Academy, Inc.

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

June 30, 2026

Fund balances - total governmental funds		$ 567,096
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported in the governmental funds.		
Total capital assets, net		
Governmental capital assets	851,269	
Accumulated depreciation	(367,502)	483,767
Other long-term liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds:		
Compensated absences		(8,708)
Deferred revenue		(107,031)
Net position of governmental activities		$ 935,124

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

The Chiles Academy, Inc.

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

Year Ended June 30, 2026

	General Fund	Capital Outlay Fund	Child Care Nutrition Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Volusia County District School Board	$ 1,713,968	$ -	$ -	$ -	$ 1,713,968
Federal grants	-	-	-	11,970	11,970
Other revenues:					
Donations	124,383	-	-	-	124,383
Child care service fees	130,527	-	-	-	130,527
Unified school improvement grant	-	-	-	166,751	166,751
Food service	-	-	177,075	-	177,075
Other income	14,126	147,117	-	-	161,243
Total revenues	1,983,004	147,117	177,075	178,721	2,485,917
Expenditures					
Current:					
Basic instruction	161,935	-	-	103,254	265,189
Exceptional instruction	20,488	-	-	389	20,877
Prekindergarten instruction	211,328	-	-	-	211,328
Guidance support	136,962	-	-	-	136,962
Health services	8,960	-	-	-	8,960
Staff development	3,316	-	-	-	3,316
Board	100,627	-	-	-	100,627
School administration	236,305	-	-	75,078	311,383
Fiscal services	118,639	-	-	-	118,639
Food services	-	-	196,299	-	196,299
Transportation	17,029	-	-	-	17,029
Operation of plant	205,141	34,672	-	-	239,813
Maintenance of plant	115,056	-	-	-	115,056
Community Services	450,432	-	-	-	450,432
Other programs and services	16,585	-	-	-	16,585
Total expenditures	1,802,803	34,672	196,299	178,721	2,212,495
Excess (deficiency) of revenues over (under) expenditures	180,201	112,445	(19,224)	-	273,422
Other financing sources (uses)					
Transfers in	-	-	19,224	-	19,224
Transfers out	(19,224)	-	-	-	(19,224)
Total other financing sources (uses)	(19,224)	-	19,224	-	-
Net change in fund balances	160,977	112,445	-	-	273,422
Fund balances at July 1, 2025	293,674	-	-	-	293,674
Fund balances at June 30, 2026	$ 454,651	$ 112,445	$ -	$ -	$ 567,096

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

The Chiles Academy, Inc.

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

Year Ended JUNE 30, 2026

Excess of revenues over expenditures - total governmental funds		$ 273,422
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Current year expenditures for capital assets	99,070	
Current year depreciation expense	(64,825)	
		34,245
Notes payable and other long-term liabilities provide current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Compensated absences		(3,151)
Certain revenues and expenses not considered available are not recognized in the governmental funds but are included in the statement of activities		(107,031)
Change in net position of governmental activities		$ 197,485

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of The Chiles Academy, Inc. (the School), which affect significant elements of the accompanying basic financial statements:

A. Reporting entity

The Chiles Academy, Inc. (a Conversion Charter School), is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The mission of the School is to combine a community of support and guidance for pregnant and parenting students with the goal of attaining a high school diploma, which will empower them to become independent and responsible citizens. The governing body of the School is the Board of Directors, which is composed of nine members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the Volusia County District School Board (the District). The current charter was renewed and is effective until June 30, 2030, and may be renewed in increments of five years by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, in the event the School is dissolved or terminated, any unencumbered public funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the Volusia County District School Board.

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

B. Government-wide and fund financial statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements (continued)

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

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The School's General Fund, Capital Outlay Fund, Child Care Nutrition Special Revenue Fund, and Other Governmental Funds are considered major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

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

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

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The School uses the following major governmental funds:

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

Capital Outlay Fund—To account for the proceeds of the Capital Outlay and Local Capital Improvement Tax Grants and track its legally restricted expenditures.

Child Care Nutrition Special Revenue Fund—To account for the proceeds of the child care food programs and track its legally restricted expenditures.

Other Governmental Funds—To account for the proceeds of other grants and track its legally restricted expenditures.

D. Budgetary basis of accounting

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

E. Cash and cash equivalents

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

F. Receivables

All receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

G. Income taxes

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Income taxes (continued)

provided in these financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

H. Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds." Interfund balances and transactions have been eliminated from the government-wide financial statements.

I. Use of estimates

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

J. Capital assets

Capital assets are defined by the School as assets with an initial individual cost of more than $750 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair values at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Asset Class	Estimated Useful Lives (years)
Buildings	5 - 39
Leasehold improvements	5 - 15
Furniture, fixtures and equipment	5 - 10

K. Inventory and prepaids

Inventory is valued at cost based on current purchase prices using the first-in/first-out (FIFO) method. Inventory consists primarily of food and expendable supplies related to the Child Care Nutrition Fund. The cost of governmental fund-type inventory is recorded as an expenditure when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements. Reported inventory and prepaids, if any, are equally offset by non-spendable fund balance, which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Revenue sources

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

The School receives substantial federal awards for the operation of additional programs including the Child Care Nutrition Program. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

M. Fund equity

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

The School has established a minimum unassigned fund balance policy of $80,000.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Following the governmental fund balance sheet is a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed reconciliation of these differences is provided in this reconciliation.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net change in fund balances – total governmental funds and changes in net position of governmental activities. A detailed reconciliation of these differences is provided in this reconciliation.

NOTE 3 – CAPITAL ASSETS:

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

	Balance at July 1, 2025	Additions	Deletions	Transfers	Balance at June 30, 2026
Capital assets not being depreciated:					
Land	$ 10,000	$ -	$ -	$ -	$ 10,000
CIP	-	1,000	-	-	1,000
Total capital assets not being depreciated	10,000	1,000	-	-	11,000
Capital assets being depreciated:					
Leasehold improvements	162,580	94,333	-	-	256,913
Furniture, fixtures and equipment	212,485	3,737	-	(75,050)	141,172
Buildings	367,134	-	-	75,050	442,184
Total capital assets being depreciated	742,199	98,070	-	-	840,269
Accumulated depreciation:					
Leasehold improvements	114,037	17,469	-	-	131,506
Furniture, fixtures and equipment	120,008	16,974	-	(12,508)	136,982
Buildings	68,632	30,382	-	12,508	99,014
Total accumulated depreciation	302,677	64,825	-	-	367,502
Net capital assets	$ 449,522	$ 34,245	$ -	$ -	$ 483,767

Capital assets are used for multiple functions by the School and cannot be easily charged to a specific function. For the year ended June 30, 2026, unallocated depreciation expense was $64,825.

NOTE 4 – CONCENTRATIONS

A. Cash and cash equivalents

At year-end, the carrying amount of the School's deposits were $542,924 and the bank balances were $541,168. The School maintains cash deposits at a bank in Florida. The School has no deposit policy for custodial risk, which is the risk that in the event of a bank failure, the School's deposit may not be returned. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to FDIC limits. Any balance in excess of FDIC insurance is covered by collateral held by the School's custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

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

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

B. Revenue sources

The School receives a substantial amount of its funding from the Volusia County District School Board. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the School's programs and activities.

NOTE 5 – RELATED PARTY INFORMATION

The Volusia County District School Board provides the School with various equipment and furniture. The District maintains title to said property and all property is to be returned to the District if the School ceases operations or no longer has use for the assets. These assets are not included in the financial statements of the School. In lieu of rental payments, the School is responsible for all upkeep and maintenance on the District's property. This agreement is in effect until December 31, 2021 and may be renewed contingent upon the extension of the School's charter.

The School purchased the building owned and previously used by the District for educational purposes during April 2022.

The Bonner Chiles Foundation, Inc. raises funds exclusively for the School. The School's CFO is the Treasurer and the Secretary of the Foundation. The School's Executive Director/Principal is the Director of the Foundation. Membership for the Foundation's Board of Directors is recommended to the School's Board for approval.

NOTE 6 – INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds result primarily from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system and when payments between funds are made. As of June 30, 2026, amounts due from other funds consist of the following:

	Due from Other Funds	Due to Other Funds
General Funds	$ -	$ 82,108
Capital Outlay Fund	100,586	-
Child Care Nutrition Fund	-	10,047
Other Governmental Funds	-	8,431
Total	$ 100,586	$ 100,586

Transfers occurred to move monies from the General Fund to subsidize operations accounted for in other funds in accordance with budgetary authorizations to reimburse the other funds. During the year ended June 30, 2026, the Capital Outlay fund transferred $82,108 to the General Fund, $10,047 to the Child Care Nutrition Fund, and $8,431 to the Other Governmental Funds.

NOTE 7 – RISK MANAGEMENT

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

NOTE 8 – COMPENSATED ABSENCES

Charter School employees accrue vacation and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The Charter School reports a liability for the accrued leave. Although the Charter School expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2026, the estimated liability for compensated absences totaled $8,708. For governmental activities, compensated absences are generally liquidated with resources of the General Fund.

Governmental Activities	Balance at July 1, 2025	Change	Balance at June 30, 2026
Compensated Absences Payable	$ 5,557	$ 3,151	$ 8,708

NOTE 9 – RECENT ACCOUNTING PRONOUNCEMENTS

Accounting pronouncements implemented

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. GASB 103 aims to enhance the effectiveness of the financial reporting model by improving key components such as Management's Discussion and Analysis (MD&A), the presentation of proprietary fund statements, and the reporting of unusual or infrequent items. It also introduces standardized definitions for operating and nonoperating revenues and expenses, and requires separate presentation of major component units and budgetary comparison information as required supplementary information (RSI). The provisions of GASB 103 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended June 30, 2026. The adoption of this standard had no significant impact on the School's financial statements.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 enhances transparency by requiring separate disclosures of specific types of capital assets in the notes to financial statements. These include lease assets (GASB 87), intangible right-to-use assets (GASB 94), subscription-based IT assets (GASB 96), and other intangible assets, all disclosed by major class. Additionally, GASB 104 introduces disclosure requirements for capital assets held for sale - defined as assets the government has decided to sell and for which it is probable the sale will be finalized within one year of the financial statement date. Governments must disclose the historical cost, accumulated depreciation, and any related debt for which such assets are pledged as collateral. The provisions of GASB 104 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended June 30, 2026. The adoption of this standard had no significant impact on the School's financial statements.

New GASB pronouncements

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

NOTE 10 – SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026 which is the date the financial statements were available be issued.

REQUIRED SUPPLEMENTAL INFORMATION

The Chiles Academy, Inc.

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND

Year Ended June 30, 2026

	Original	Final	Variance with Original Budget	Actual	Variance with Final Budget
Revenue					
Volusia County District School Board	$ 1,138,247	$ 1,713,968	$ 575,721	$ 1,713,968	$ -
Other revenues:					
Donations	110,000	124,383	14,383	124,383	-
Child care service fees	-	130,527	130,527	130,527	-
Other income	142,975	14,126	(128,849)	14,126	-
Total revenues	1,391,222	1,983,004	591,782	1,983,004	-
Expenditures					
Current:					
Basic instruction	249,609	161,935	87,674	161,935	-
Exceptional instruction	13,889	20,488	(6,599)	20,488	-
Prekindergarten	322,560	211,328	111,232	211,328	-
Guidance support	100,515	136,962	(36,447)	136,962	-
Health services	-	8,960	(8,960)	8,960	-
Staff development	-	3,316	(3,316)	3,316	-
Board	92,245	100,627	(8,382)	100,627	-
School administration	331,024	236,305	94,719	236,305	-
Fiscal services	90,351	118,639	(28,288)	118,639	-
Transportation	65,920	17,029	48,891	17,029	-
Operation of plant	236,920	205,141	31,779	205,141	-
Maintenance of plant	-	115,056	(115,056)	115,056	-
Community Services	209,500	450,432	(240,932)	450,432	-
Other programs and services	30,961	16,585	14,376	16,585	-
Total expenditures	1,743,494	1,802,803	(59,309)	1,802,803	-
Excess (deficiency) of revenues over (under) expenditures	(352,272)	180,201	532,473	180,201	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(19,224)	19,224	(19,224)	-
Total other financing sources (uses)	-	(19,224)	19,224	(19,224)	-
Net change in fund balance	(352,272)	160,977	551,697	160,977	-
Fund balance at July 1, 2025	1,209,130	293,674	(915,456)	293,674	-
Fund balance at June 30, 2026	$ 856,858	$ 454,651	$ (363,759)	$ 454,651	$ -

See accompanying note to required supplemental information.

The Chiles Academy, Inc.

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CAPITAL OUTLAY FUND

Year Ended June 30, 2026

	Original	Final	Variance with Original Budget	Actual	Variance with Final Budget
Revenue					
Other Income	$ 142,472	$ 147,117	$ 4,645	$ 147,117	$ -
Total revenues	142,472	147,117	4,645	147,117	-
Expenditures					
Basic instruction	-	34,672	(34,672)	34,672	-
Total expenditures	-	34,672	(34,672)	34,672	-
Excess (deficiency) of revenues over (under) expenditures	142,472	112,445	(30,027)	112,445	-
Net change in fund balance	142,472	112,445	(30,027)	112,445	-
Fund balance at July 1, 2025	-	-	-	-	-
Fund balance at June 30, 2026	$ 142,472	$ 112,445	$ (30,027)	$ 112,445	$ -

See accompanying note to required supplemental information.

The Chiles Academy, Inc.

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CHILD CARE NUTRITION SPECIAL REVENUE FUND

Year Ended June 30, 2026

	Original	Final	Variance with Original Budget	Actual	Variance with Final Budget
Revenue					
Food service	$ 72,402	$ 177,075	$ 104,673	$ 177,075	$ -
Total revenues	72,402	177,075	104,673	177,075	-
Expenditures					
Current:					
Food services	160,543	196,299	(35,756)	196,299	-
Total expenditures	160,543	196,299	(35,756)	196,299	-
Excess (deficiency) of revenues over (under) expenditures	(88,141)	(19,224)	68,917	(19,224)	-
Other financing sources (uses)					
Transfers in	-	19,224	(19,224)	19,224	-
Total other financing sources (uses)	-	19,224	(19,224)	19,224	-
Net change in fund balance	(88,141)	-	(88,141)	-	-
Fund balance at July 1, 2025	(297,827)	-	(297,827)	-	-
Fund balance at June 30, 2026	$ (385,968)	$ -	$ (385,968)	$ -	$ -

See accompanying note to required supplemental information.

The Chiles Academy, Inc.

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - OTHER GOVERNMENTAL FUNDS

Year Ended June 30, 2026

	Original	Final	Variance with Original Budget	Actual	Variance with Final Budget
Revenue					
Federal grants	$ 9,592	$ 11,970	$ 2,378	$ 11,970	$ -
Unified school improvement grant	200,000	166,751	(33,249)	166,751	-
Total revenues	209,592	178,721	(30,871)	178,721	-
Expenditures					
Basic instruction	180,000	103,254	76,746	103,254	-
Exceptional instruction	-	389	(389)	389	
School administration	-	75,078	(75,078)	75,078	
Total expenditures	180,000	178,721	1,279	178,721	-
Excess (deficiency) of revenues over (under) expenditures	29,592	-	(29,592)	-	-
Net change in fund balance	29,592	-	(29,592)	-	-
Fund balance at July 1, 2025	4,694	-	(4,694)	-	-
Fund balance at June 30, 2026	$ 34,286	$ -	$ (34,286)	$ -	$ -

See accompanying note to required supplemental information.

The Chiles Academy, Inc.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2026

1. Summary of Significant Accounting Policies:

The Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual (the Schedules) are presented using the School's budget format for all governmental funds.

2. Budgetary Basis of Accounting:

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

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

3. Significant Variances:

Significant variances between the original budget and the final amended budget are summarized as follows:

Revenues:

General Fund:

- $575,721 Volusia County District School Board – Funding increased during the school year due to actual enrollment being higher then what was originally budgeted.
- $130,527 Child Care Service Fees – Funding increased during the year due to a classification difference between Other Income and Child Care Service Fees

Child Care Nutrition Special Revenue Fund:

- $104,673 Food Service – Funding increased during the school year due to actual enrollment being higher then what was originally budgeted.

Expenditures:

General Fund

- $111,232 Prekindergarten Instruction – Decrease due to a reclassification of expenses Community Services.
- ($115,056) Maintenance of Plant – Increase due to A/C and building improvements made during the year.
- ($240,932) Community Services – Increase due to more children during the year then budgeted.

There was no significant budget versus actual variances. The actual change in fund balance were over budgeted by $0 as the budget was amended to be actual results.

SUPPLEMENTAL INFORMATION

MKA
CERTIFIED PUBLIC ACCOUNTANTS

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

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*

To the Board of Directors
The Chiles Academy, Inc.
Daytona 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 The Chiles Academy, Inc. (the School) which is a component unit of the Volusia County District School Board, Florida as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

Report on Compliance and Other Matters (continued)

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

MKA
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

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

To the Board of Directors
The Chiles Academy, Inc.
Daytona Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Chiles Academy, Inc. (the School), which is a component unit of the School District of Volusia County, Florida as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 30, 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. There were no prior year findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is *The Chiles Academy, Inc., 7841*.

Financial Condition and Management

Section 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 conditions met. In connection with the audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

Financial Condition and Management (continued)

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 the financial information provided by same.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

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