

THE CHILES ACADEMY, INC.

**Basic Financial Statements and
Required Supplemental Information**

**For the year ended
June 30, 2023**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-10
BASIC FINANCIAL STATEMENTS	
Government - Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17-25
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	26
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – ESSER Grant Special Revenue Fund	27
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Title I Grant Special Revenue Fund	28
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Child Care Nutrition Special Revenue Fund	29
Note to Required Supplemental Information	30
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 <i>GOVERNMENT AUDITING STANDARDS</i>	31-32
MANAGEMENT LETTER	33-34
MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES	35



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
Richard F. Hayes
Frank J. Guida
John J. Rody, Jr.
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

INDEPENDENT AUDITOR'S REPORT

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Chiles Academy (the School), as of and for the year ended June 30, 2023, 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, 2023, 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, the business-type activities, each major fund, and the aggregate, as of June 30, 2023, 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 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.

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 discretely 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 \$41,922 as of June 30, 2023 and the change in net position would be increased by \$2,529 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
- 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 10 and 27 to 31 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 26, 2023, 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 26, 2023

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 \$1,043,887 (net position). Of this amount, \$724,839 (unrestricted) may be used to meet the School's ongoing obligations.
- The School's total net position increased by \$109,979 based on current year activities. The School had total expenses for the year of \$1,961,548 compared to revenues of \$2,071,527.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$734,187, a increase of \$123,235 in comparison with the prior year. Approximately 96.1%, or \$705,655 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 11 and 12 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 four 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 Title I Grant, ESSER Grant Fund, and the Child Care Nutrition special revenue 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 13 - 16 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 17 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 \$1,043,887 (total net position) at June 30, 2023, which was an increase of \$109,979 from the previous year.

The following is a summary of the School's net position as of June 30, 2023, compared to the net position as of June 30, 2022:

The Chiles Academy, Inc. Condensed Statement of Net Position

	Governmental Activities	
	June 30, 2023	June 30, 2022
ASSETS		
Non-capital assets	\$ 778,467	\$ 638,233
Capital assets, net	319,048	330,138
Other assets - Deposits	16,476	16,476
Total assets	1,113,991	984,847
LIABILITIES		
Current liabilities	70,104	50,939
Total liabilities	70,104	50,939
NET POSITION		
Net investment in capital assets	319,048	330,138
Unrestricted	724,839	603,770
Total net position	\$ 1,043,887	\$ 933,908

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 \$319,048 in net investment in capital assets at June 30, 2023, an decrease of \$11,090 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, 2023. Unrestricted net position may be used to meet the School's ongoing obligations. Unrestricted net position totaled \$724,839 at June 30, 2023, an increase of \$121,069 from the prior year.

Key elements of the changes in the School's net position for the fiscal years ended June 30, 2023 and 2022 are as follows:

	Governmental Activities	
	2023	2022
Program revenues:		
Charges for services	\$ 783,309	\$ 552,064
Operating grants and contributions:		
Federal grants	191,559	481,121
Other grants and donations	192,054	422,835
General revenues:		
Volusia County District School Board	898,807	883,930
Other Income	5,798	392
Total revenues	<u>2,071,527</u>	<u>2,340,342</u>
Program expenses:		
Basic instruction	440,939	488,514
Exceptional instruction	36,066	31,860
Guidance services	98,088	93,148
Staff development	13,354	20,539
General administration	7,417	4,460
School administration	286,277	261,712
Fiscal services	102,774	117,465
Food services	157,634	144,835
Transportation	23,791	51,261
Operation of plant	197,106	183,078
Maintenance of plant	27,180	12,388
Other programs and services	539,063	352,953
Unallocated depreciation	31,859	26,542
Total expenses	<u>1,961,548</u>	<u>1,788,755</u>
Change in net position	109,979	551,587
Net position - beginning	<u>933,908</u>	<u>382,321</u>
Net position - ending	<u>\$ 1,043,887</u>	<u>\$ 933,908</u>

Governmental activities of the School generated \$365,207 in operating grants and contributions, and \$898,807 of general revenues, and incurred \$1,961,548 of program expenses. Additional revenues totaling \$783,309 were generated by charges of \$778,889 for contracted childcare services, \$1,420 for food services, and \$3,000 for rental of facilities. This resulted in an overall \$109,979 increase in net position

Total revenues decreased from \$2,340,342 in the 2021-2022 school year to \$2,071,527 in the 2022-2023 school year ended June 30, 2023. This decrease in revenue was the result of a combination of factors. The largest decrease was in the area of Federal Grants which includes ESSER II & III and the National School Lunch Program. The ESSER II & III Programs resulted in a revenue decrease of \$353,764. The net per-pupil funding for a Full Time Equivalent student by the State of Florida remained steady but an decrease in revenue was seen due to less donations received in the year. Charges for service showed a large increase due to the addition of contracted childcare clients and an increased number of children being served.

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 \$734,187, a increase of \$123,235 in comparison with the prior year. Approximately 96% of this total, or \$702,354, constitutes unassigned fund balance, which is available for spending at the School's discretion. Of the remainder of fund balance, \$31,833 or 4% is non-spendable relating to inventories and 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 \$705,655, which represents 40.1% of total General Fund expenditures and transfers out for the fiscal year 2023. The total fund balance of the School's general fund increased by \$123,235, from \$610,952 to \$734,187, during the current fiscal year.

The ESSER Grant, Title I Grant, and Child Care Nutrition special revenue funds are the funds used to account for revenues and expenditures of grant activities. There were no changes in the each of the special revenue fund's fund balance in the current fiscal year. However, due to the excess of expenditures over revenues, The Chiles Academy was required to transfer in money from the ESSER Grant special revenue fund in the amount of \$45,796. The Chiles Academy was also required to transfer out money to the Child Care Nutrition Special Revenue fund in the amount of \$63,248.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget reflects a increase of \$110,000 from the original budget. 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.

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

Revenues:

- \$65,000 Volusia County District School Board – Funding increased during the school year due to actual enrollment being over what was originally budgeted.

Expenditures:

- (\$11,800) Basic Instruction – Decrease due to a reclassification of employees to School Administration.
- \$60,500 School Administration – Increase due to reclassification of employees from administration to parental involvement.
- (\$25,000) Maintenance of Plant – Decrease due to less maintenance on the building.
- \$25,600 Operation of Plant – Increase due to purchase of air conditioning units.
- (\$54,150) Other Programs and Services – Decrease due to allocation of leased employees to School Administration.

With these amendments, there was no significant budget versus actual variances. The actual change in fund balance were over budgeted by \$98,926.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The School's investment in capital assets for its governmental activities as of June 30, 2023, amounted to \$319,048 (net of accumulated depreciation). This investment in capital assets includes buildings, land, leasehold improvements, furniture, fixtures, and equipment, and computer hardware and software. The decrease of \$11,090 from the previous year is primarily the result of additions of \$20,769 being less than depreciation of \$31,859.

The following is a summary of capital assets as of June 30, 2023 and 2022:

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

	Governmental Activities 2023	Governmental Activities 2022
Leasehold improvements	\$ 33,844	\$ 45,248
Furniture, fixtures and equipment	22,460	27,598
Buildings	252,744	247,292
Land	10,000	10,000
Total	<u>\$ 319,048</u>	<u>\$ 330,138</u>

Additional information on the School's capital assets can be found in Note (3) on page 23 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, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 635,361
Accounts receivable	111,273
Prepays	28,532
Inventory	3,301
Capital assets:	
Land	10,000
Other capital assets, net of depreciation	<u>309,048</u>
	319,048
Deposits	<u>16,476</u>
Total assets	<u>1,113,991</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	<u>70,104</u>
Total current liabilities	<u>70,104</u>
NET POSITION	
Net investment in capital assets	319,048
Unrestricted	<u>724,839</u>
Total net position	<u>\$ 1,043,887</u>

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

The Chiles Academy, Inc.

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Basic instruction	\$ 440,939	\$ -	\$ 50,491	\$ -	\$ (390,448)
Exceptional instruction	36,066	-	-	-	(36,066)
Guidance support	98,088	-	-	-	(98,088)
Staff development	13,354	-	-	-	(13,354)
General administration	7,417	-	-	-	(7,417)
School administration	286,277	-	-	-	(286,277)
Fiscal services	102,774	-	-	-	(102,774)
Food services	157,634	1,420	141,068	-	(15,146)
Transportation	23,791	-	-	-	(23,791)
Operation of plant	197,106	3,000	-	83,912	(110,194)
Maintenance of plant	27,180	-	-	-	(27,180)
Other programs and services	539,063	778,889	108,142	-	347,968
Unallocated depreciation	31,859	-	-	-	(31,859)
Total governmental activities	<u>\$ 1,961,548</u>	<u>\$ 783,309</u>	<u>\$ 299,701</u>	<u>\$ 83,912</u>	<u>(794,626)</u>
General revenues					
Volusia County School Board					898,807
Other revenue					
Other income					5,798
Total general and other revenues					<u>904,605</u>
Change in net position					109,979
Net position at July 1, 2022					933,908
Net position at June 30, 2023					<u>\$ 1,043,887</u>

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

The Chiles Academy, Inc.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	ESSER Grant Special Revenue Fund	Title I Grant Special Revenue Fund	Child Care Nutrition Special Revenue Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 635,361	\$ -	\$ -	\$ -	\$ 635,361
Accounts receivable	59,512	-	-	51,761	111,273
Inventory	-	-	-	3,301	3,301
Deposits	16,476	-	-	-	16,476
Prepays	28,532	-	-	-	28,532
Due from other funds	55,062	-	-	-	55,062
Total assets	<u>\$ 794,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,062</u>	<u>\$ 850,005</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 60,756	\$ -	\$ -	\$ -	\$ 60,756
Due to other funds		-	-	55,062	55,062
Total liabilities	<u>60,756</u>	<u>-</u>	<u>-</u>	<u>55,062</u>	<u>115,818</u>
FUND BALANCES					
Nonspendable for:					
Prepays and inventory	28,532	-	-	3,301	31,833
Unassigned	705,655	-	-	(3,301)	702,354
Total fund balances	<u>734,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,187</u>
Total liabilities and fund balances	<u>\$ 794,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,062</u>	<u>\$ 850,005</u>

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

The Chiles Academy, Inc.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Fund balances - total governmental funds	\$	734,187
--	----	---------

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		536,370	
Accumulated depreciation		<u>(217,322)</u>	319,048

Other long-term liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds:

Other accrued expenses			<u>(9,348)</u>
------------------------	--	--	----------------

Net position of governmental activities	\$	<u><u>1,043,887</u></u>
---	----	-------------------------

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
For The Year Ended June 30, 2023

	General Fund	ESSER Grant Special Revenue Fund	Title I Grant Special Revenue Fund	Child Care Nutrition Special Revenue Fund	Total Governmental Funds
Revenues					
Volusia County District School Board	\$ 898,807	\$ -	\$ -	\$ -	\$ 898,807
Federal grants	-	45,796	4,695	122,662	173,153
Other revenues:					
Donations	108,142	-	-	-	108,142
Child care service fees	781,889	-	-	-	781,889
Hardening Grant	4,773	-	-	-	4,773
Food service	19,826	-	-	-	19,826
Other income	84,937	-	-	-	84,937
Total revenues	<u>1,898,374</u>	<u>45,796</u>	<u>4,695</u>	<u>122,662</u>	<u>2,071,527</u>
Expenditures					
Current:					
Basic instruction	434,078	-	4,695	-	438,773
Exceptional instruction	36,066	-	-	-	36,066
Guidance support	98,088	-	-	-	98,088
Staff development	13,354	-	-	-	13,354
General administration	7,417	-	-	-	7,417
School administration	284,231	-	-	2,047	286,278
Fiscal services	102,774	-	-	-	102,774
Food services	-	-	-	157,634	157,634
Transportation	23,791	-	-	-	23,791
Operation of plant	170,877	-	-	26,229	197,106
Maintenance of plant	47,948	-	-	-	47,948
Other programs and services	539,063	-	-	-	539,063
Total expenditures	<u>1,757,687</u>	<u>-</u>	<u>4,695</u>	<u>185,910</u>	<u>1,948,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,687</u>	<u>45,796</u>	<u>-</u>	<u>(63,248)</u>	<u>123,235</u>
Other financing sources (uses)					
Transfers in	45,796	-	-	63,248	109,044
Transfers out	(63,248)	(45,796)	-	-	(109,044)
Total other financing sources (uses)	<u>(17,452)</u>	<u>(45,796)</u>	<u>-</u>	<u>63,248</u>	<u>-</u>
Net change in fund balances	123,235	-	-	-	123,235
Fund balances at July 1, 2022	<u>610,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,952</u>
Fund balances at June 30, 2023	<u>\$ 734,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 734,187</u>

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
For The Year Ended JUNE 30, 2023

Excess of revenues over expenditures - total governmental funds	\$	123,235
---	----	---------

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	20,769		
Current year depreciation expense	<u>(31,859)</u>		(11,090)

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 transation has any effect on net position.

Other accrued expenses		<u>(2,166)</u>	
------------------------	--	----------------	--

Change in net position of governmental activities	\$	<u><u>109,979</u></u>
---	----	-----------------------

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

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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 is effective until June 30, 2025, 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; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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, Title I Special Revenue Fund, ESSER II & III, and Child Care Nutrition Special Revenue Fund 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.

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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.

Title I Grant Special Revenue Fund—To account for the proceeds of the Title I Grant and track its legally restricted expenditures.

ESSER II & III Fund—To account for the proceeds of the ESSER II & III fund 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.

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, 2023, 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 2023, no provision for income taxes is provided in the financial statements.

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Income taxes (continued)

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

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

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Capital assets being depreciated:				
Leasehold improvements	111,842	-	-	111,842
Furniture, fixtures and equipment	121,429	5,768	-	127,197
Buildings	272,330	15,001	-	287,331
Total capital assets	<u>515,601</u>	<u>20,769</u>	<u>-</u>	<u>536,370</u>
Accumulated depreciation:				
Leasehold improvements	66,594	11,404	-	77,998
Furniture, fixtures and equipment	93,831	10,906	-	104,737
Buildings	25,038	9,549	-	34,587
Total accumulated depreciation	<u>185,463</u>	<u>31,859</u>	<u>-</u>	<u>217,322</u>
Net capital assets	<u>\$ 330,138</u>	<u>\$ (11,090)</u>	<u>\$ -</u>	<u>\$ 319,048</u>

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, 2023, unallocated depreciation expense was \$31,859.

NOTE 4 – CONCENTRATIONS

A. Cash and cash equivalents

At year-end, the carrying amount of the School's deposits were \$635,361 and the bank balances were \$637,449. 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 Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 – CONCENTRATIONS (continued)

A. Cash and cash equivalents (continued)

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, 2023, amounts due from other funds consist of the following:

The Chiles Academy, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 – INTERFUND ACCOUNTS AND TRANSFERS (continued)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds	\$ 55,062	\$ -
ESSER Grant	-	-
Title I Grant	-	-
Child Care Nutrition Fund	-	55,062
Federal grants	\$ 55,062	\$ 55,062

Transfers occurred to move monies from the General Fund to subsidize operations accounted for in other funds in accordance with budgetary authorizations and from the ESSER Grant Fund to reimburse the other funds. During the year ended June 30, 2023, the General Fund transferred \$63,248 to the Child Care Nutrition Special Revenue Fund and the ESSER Grant Fund transferred \$45,796 to the General Fund.

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 – RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below is a pronouncement with a required implementation date that was effective for fiscal year June 30, 2023.

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), in May 2020. GASB 96 increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for SBITAs that previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITAs accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. The provisions in GASB 96 were implemented in the year ended June 30, 2023. The implementation of the new pronouncement did not have any impact on the financial statements as the School does not hold any SBITAs.

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 26, 2023 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

The Chiles Academy, Inc.
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
For The Year Ended June 30, 2023

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue				
Volusia County District School Board	\$ 1,001,427	\$ 1,066,427	\$ 898,807	\$ (167,620)
Other revenues:				
Donations	110,100	110,100	108,142	(1,958)
Child care service fees	926,500	926,500	781,889	(144,611)
Hardening Grant	-	-	4,773	4,773
Food service	3,500	3,500	19,826	16,326
Other income	100	100	84,937	84,837
Total revenues	<u>2,041,627</u>	<u>2,106,627</u>	<u>1,898,374</u>	<u>(208,253)</u>
Expenditures				
Current:				
Basic instruction	463,631	451,831	434,078	17,753
Exceptional instruction	35,438	36,638	36,066	572
Guidance support	94,268	101,018	98,088	2,930
Staff development	14,069	15,569	13,354	2,215
General administration	7,319	7,419	7,417	2
School administration	229,110	289,610	284,231	5,379
Fiscal services	157,601	159,101	102,774	56,327
Transportation	28,000	30,100	23,791	6,309
Operation of plant	143,165	168,765	170,877	(2,112)
Maintenance of plant	76,609	51,609	47,948	3,661
Other programs and services	581,956	527,806	539,063	(11,257)
Total expenditures	<u>1,831,166</u>	<u>1,839,466</u>	<u>1,757,687</u>	<u>81,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>210,461</u>	<u>267,161</u>	<u>140,687</u>	<u>(126,474)</u>
Other financing sources (uses)				
Transfers in	-	-	45,796	45,796
Transfers out	-	(45,000)	(63,248)	(18,248)
Total other financing sources (uses)	-	(45,000)	(17,452)	27,548
Net change in fund balances	210,461	222,161	123,235	(98,926)
Fund balance at July 1, 2022	<u>256,356</u>	<u>236,056</u>	<u>610,952</u>	<u>374,896</u>
Fund balance at June 30, 2023	<u>\$ 466,817</u>	<u>\$ 458,217</u>	<u>\$ 734,187</u>	<u>\$ 275,970</u>

See accompanying note to required supplemental information.

The Chiles Academy, Inc.
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - ESSER GRANT SPECIAL REVENUE FUND
For The Year Ended June 30, 2023

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue				
Federal grants	\$ -	\$ -	\$ 45,796	\$ (45,796)
Total revenues	-	-	45,796	(45,796)
Expenditures				
Current:				
Basic Instruction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	45,796	(45,796)
Other financing sources (uses)				
Transfers out	-	-	(45,796)	45,796
Total other financing sources (uses)	-	-	(45,796)	45,796
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2022	-	-	-	-
Fund balance at June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to required supplemental information.

The Chiles Academy, Inc.
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - TITLE I GRANT SPECIAL REVENUE FUND
For The Year Ended June 30, 2023

	Original	Final	Actual	Variance with Final Budget
Revenue				
Federal grants	\$ 4,695	\$ 4,695	\$ 4,695	\$ -
Total revenues	4,695	4,695	4,695	-
Expenditures				
Basic instruction	4,695	4,695	4,695	-
Total expenditures	4,695	4,695	4,695	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2022	-	-	-	-
Fund balance at June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
For The Year Ended June 30, 2023

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue				
Federal grants	\$ 60,000	\$ 125,000	\$ 122,662	\$ (2,338)
Total revenues	60,000	125,000	122,662	(2,338)
Expenditures				
Current:				
School administration	82,379	88,979	2,047	86,932
Food services	80,000	97,300	157,634	(60,334)
Operation of plant	25,555	26,555	26,229	326
Total expenditures	187,934	212,834	185,910	(2,012)
Excess (deficiency) of revenues over (under) expenditures	<u>(127,934)</u>	<u>(87,834)</u>	<u>(63,248)</u>	<u>(4,350)</u>
Other financing sources (uses)				
Transfers in	-	45,000	63,248	18,248
Total other financing sources (uses)	-	45,000	63,248	18,248
Net change in fund balances	(127,934)	(42,834)	-	(20,586)
Fund balance at July 1, 2022	<u>(858)</u>	<u>3,142</u>	<u>-</u>	<u>(3,142)</u>
Fund balance at June 30, 2023	<u>\$ (128,792)</u>	<u>\$ (39,692)</u>	<u>\$ -</u>	<u>\$ (23,728)</u>

See accompanying note to required supplemental information.

The Chiles Academy, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, 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.

SUPPLEMENTAL INFORMATION



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
Richard F. Hayes
Frank J. Guida
John J. Rody, Jr.
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

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

To the Board of Directors
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, each major fund, and the aggregate remaining fund information of The Chiles Academy, Inc. (the School), a component unit of the Volusia County District School Board, Florida as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise The Chiles Academy's basic financial statements, and have issued our report thereon dated September 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Chiles Academy'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 Chiles Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of The Chiles Academy'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Chiles Academy'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 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 26, 2023



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
Richard F. Hayes
Frank J. Guida
John J. Rody, Jr.
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

MANAGEMENT LETTER

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 (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, 2023, and have issued our report thereon dated September 26, 2023.

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.

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 26, 2023, 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. Corrective actions have been taken to address findings and recommendations in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 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.

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 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 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'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 26, 2023

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

For the year ended June 30, 2023, there are no management recommendations.