THE CHILES ACADEMY, INC.

Basic Financial Statements and
Required Supplemental Information

For the year ended
June 30, 2024

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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 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, 2024, 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, 2024, 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, and each major fund of the School, as of June 30, 2024, 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.

Basis for Qualified and Unmodified Opinions (continued)

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 $33,947 as of June 30, 2024 and the change in net position would be decreased by $7,975 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 30 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, 2024, 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, 2024

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 $894,565 (net position). Of this amount, $507,285 (unrestricted) may be used to meet the School's ongoing obligations.

- The School's total net position decreased by $149,322 based on current year activities. The School had total expenses for the year of $1,970,590 compared to revenues of $1,821,268.

- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of $511,729, a decrease of $222,458 in comparison with the prior year. Approximately 99%, or $505,416 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, 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 $894,565 (total net position) at June 30, 2024, which was a decrease of $149,322 from the previous year.

The following is a summary of the School's net position as of June 30, 2024, compared to the net position as of June 30, 2023:

The Chiles Academy, Inc.
Condensed Statement of Net Position

	Governmental Activities	
	June 30, 2024	June 30, 2023
ASSETS		
Non-capital assets	$ 551,572	$ 778,467
Capital assets, net	387,280	319,048
Other assets - Deposits	16,476	16,476
Total assets	955,328	1,113,991
LIABILITIES		
Current liabilities	60,763	70,104
Total liabilities	60,763	70,104
NET POSITION		
Net investment in capital assets	387,280	319,048
Unrestricted	507,285	724,839
Total net position	$ 894,565	$ 1,043,887

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 $387,280 in net investment in capital assets at June 30, 2024, an increase of $68,232 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, 2024. Unrestricted net position may be used to meet the School's ongoing obligations. Unrestricted net position totaled $507,285 at June 30, 2024, a decrease of $217,554 from the prior year.

Key elements of the changes in the School's net position for the fiscal years ended June 30, 2024 and 2023, are as follows:

The Chiles Academy, Inc.
Statement of Activities

	Governmental Activities	
	2024	**2023**
Program revenues:		
Charges for services	$ 515,021	$ 783,309
Operating grants and contributions:		
Federal grants	153,881	191,559
Other grants and donations	303,261	192,054
General revenues:		
Volusia County District School Board	848,059	898,807
Other income	1,046	5,798
Total revenues	1,821,268	2,071,527
Program expenses:		
Basic instruction	391,221	440,939
Exceptional instruction	34,011	36,066
Guidance services	128,983	98,088
Health services	2,918	-
Staff development	10,538	13,354
General administration	7,869	7,417
School administration	323,428	286,277
Fiscal services	64,059	102,774
Food services	168,336	157,634
Transportation	15,678	23,791
Operation of plant	252,547	197,106
Maintenance of plant	30,401	27,180
Other programs and services	500,838	539,063
Unallocated depreciation	39,763	31,859
Total expenses	1,970,590	1,961,548
Change in net position	(149,322)	109,979
Net position - beginning	1,043,887	933,908
Net position - ending	$ 894,565	$ 1,043,887

Governmental activities of the School generated $457,142 in operating grants and contributions, and $848,059 of general revenues, and incurred $1,970,590 of program expenses. Additional revenues totaling $515,021 were generated by charges of $500,440 for contracted childcare services, $120 for food services, and $14,461 for rental of facilities. Additional expenses occurred in relation to the school administration, guidance services, food services, and operation in plant. This resulted in an overall $149,322 decrease in net position.

Total revenues decreased from $2,071,527 in the 2022-2023 school year to $1,821,268 in the 2023-2024 school year ended June 30, 2024. This decrease in revenue was the result of a combination of factors. The largest decrease was in the area of Child Care Services which includes the Child Care Program, which resulted in a revenue decrease of $268,288. The net per-pupil funding for a Full Time Equivalent student by the State of Florida increased during the year but due to a decrease in the number of students caused an overall decrease. Charges for service showed a large decrease due to less contracted childcare clients and a decreased 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 $511,729, a decrease of $222,458 in comparison with the prior year. Approximately 99% of this total, or $505,416, constitutes unassigned fund balance, which is available for spending at the School's discretion. Of the remainder of fund balance, $6,313 or 1% 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 $507,759, which represents 27.8% of total General Fund expenditures and transfers out for the fiscal year 2024. The total fund balance of the School's general fund decreased by $222,458, from $734,187 to $511,729, during the current fiscal year.

The 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 School was required to transfer in money from the General Fund to the Child Care Nutrition special revenue fund in the amount of $133,638 and from the ESSER Grant Special Revenue fund to the General Fund in the amount of $85,179.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget reflects a decrease of $335,950 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.

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

Revenues:

- ($335,950) Volusia County District School Board – Funding decreased during the school year due to actual enrollment being under what was originally budgeted.

Expenditures:

- ($41,205) Basic Instruction – Decrease due to a reclassification of employees to School Administration.
- $61,787 Maintenance of Plant – Increase due to more air conditioning maintenance on the building.
- ($24,089) Operation of Plant – Decrease due to less fixed assets purchases.
- $32,868 Guidance Support – Increase 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 $0 as the budget was amended to be actual results.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The School's investment in capital assets for its governmental activities as of June 30, 2024, amounted to $387,280 (net of accumulated depreciation). This investment in capital assets includes buildings, land, leasehold improvements, furniture, fixtures, and equipment, and computer hardware and software. The increase of $65,232 from the previous year is primarily the result of additions of $107,995 being more than depreciation of $39,763.

The following is a summary of capital assets as of June 30, 2024 and 2023:

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

	Governmental Activities 2024	Governmental Activities 2023
Leasehold improvements	$ 69,017	$ 33,844
Furniture, fixtures and equipment	16,837	22,460
Buildings	291,426	252,744
Land	10,000	10,000
Total	$ 387,280	$ 319,048

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, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 345,992
Accounts receivable	199,267
Prepaids	3,970
Inventory	2,343
Capital assets:	
Land	10,000
Other capital assets, net of depreciation	377,280
	387,280
Deposits	16,476
Total assets	955,328
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	60,763
Total current liabilities	60,763
NET POSITION	
Net investment in capital assets	387,280
Unrestricted	507,285
Total net position	$ 894,565

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

The Chiles Academy, Inc.

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2024

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	$ 391,221	$ -	$ 90,552	$ -	$ (300,669)
Exceptional instruction	34,011	-	-	-	(34,011)
Guidance support	128,983	-	-	-	(128,983)
Health services	2,918	-	-	-	(2,918)
Staff development	10,538	-	-	-	(10,538)
General administration	7,869	-	-	-	(7,869)
School administration	323,428	-	-	-	(323,428)
Fiscal services	64,059	-	-	-	(64,059)
Food services	168,336	120	63,329	-	(104,887)
Transportation	15,678	-	-	-	(15,678)
Operation of plant	252,547	14,461	-	78,739	(159,347)
Maintenance of plant	30,401	-	-	-	(30,401)
Other programs and services	500,838	500,440	224,522	-	224,124
Unallocated depreciation	39,763	-	-	-	(39,763)
Total governmental activities	$ 1,970,590	$ 515,021	$ 378,403	$ 78,739	(998,427)

General revenues	
Volusia County School Board	848,059
Other revenue	
Other income	1,046
Total general and other revenues	849,105
Change in net position	(149,322)
Net position at July 1, 2023	1,043,887
Net position at June 30, 2024	$ 894,565

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

The Chiles Academy, Inc.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	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	$ 345,992	$ -	$ -	$ -	$ 345,992
Accounts receivable	77,006	85,179	5,373	31,709	199,267
Inventory	-	-	-	2,343	2,343
Deposits	16,476	-	-	-	16,476
Prepaids	3,970	-	-	-	3,970
Due from other funds	124,604	-	-	-	124,604
Total assets	$ 568,048	$ 85,179	$ 5,373	$ 34,052	$ 692,652
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	$ 56,319	$ -	$ -	$ -	$ 56,319
Due to other funds	-	85,179	5,373	34,052	124,604
Total liabilities	56,319	85,179	5,373	34,052	180,923
FUND BALANCES					
Nonspendable for:					
Prepaids and inventory	3,970	-	-	2,343	6,313
Unassigned	507,759	-	-	(2,343)	505,416
Total fund balances	511,729	-	-	-	511,729
Total liabilities and fund balances	$ 568,048	$ 85,179	$ 5,373	$ 34,052	$ 692,652

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, 2024

Fund balances - total governmental funds		$ 511,729
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	644,365	
Accumulated depreciation	(257,085)	387,280
Other long-term liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds:		
Other accrued expenses		(4,444)
Net position of governmental activities		$ 894,565

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, 2024

	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	$ 848,059	$ -	$ -	$ -	$ 848,059
Federal grants	-	85,179	5,373	27,809	118,361
Other revenues:					
Donations	224,522	-	-	-	224,522
Child care service fees	514,901	-	-	-	514,901
Unified school improvement grant	-	-	-	-	-
Food service	119	-	-	35,521	35,640
Other income	79,785	-	-	-	79,785
Total revenues	1,667,386	85,179	5,373	63,330	1,821,268
Expenditures					
Current:					
Basic instruction	390,752	-	5,373	-	396,125
Exceptional instruction	34,011	-	-	-	34,011
Guidance support	128,983	-	-	-	128,983
Health services	2,918	-	-	-	2,918
Staff development	10,538	-	-	-	10,538
General administration	7,869	-	-	-	7,869
School administration	322,600	-	-	828	323,428
Fiscal services	64,059	-	-	-	64,059
Food services	-	-	-	168,336	168,336
Transportation	15,678	-	-	-	15,678
Operation of plant	224,743	-	-	27,804	252,547
Maintenance of plant	138,396	-	-	-	138,396
Other programs and services	500,838	-	-	-	500,838
Total expenditures	1,841,385	-	5,373	196,968	2,043,726
Excess (deficiency) of revenues over (under) expenditures	(173,999)	85,179	-	(133,638)	(222,458)
Other financing sources (uses)					
Transfers in	85,179	-	-	133,638	218,817
Transfers out	(133,638)	(85,179)	-	-	(218,817)
Total other financing sources (uses)	(48,459)	(85,179)	-	133,638	-
Net change in fund balances	(222,458)	-	-	-	(222,458)
Fund balances at July 1, 2023	734,187	-	-	-	734,187
Fund balances at June 30, 2024	$ 511,729	$ -	$ -	$ -	$ 511,729

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, 2024

Excess of revenues over expenditures - total governmental funds		$ (222,458)
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	107,995	
Current year depreciation expense	(39,763)	
		68,232
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.		
Other accrued expenses		4,904
Change in net position of governmental activities		$ (149,322)

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 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.

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, ESSER Special Revenue Fund, Title I Special Revenue Fund, 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.

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.

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

Title I Grant Special Revenue Fund—To account for the proceeds of the Title I Grant 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, 2024, 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 2024, no provision for income taxes is provided in the financial statements.

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

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.

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.

NOTE 3 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets not being depreciated:				
Land	$ 10,000	$ -	$ -	$ 10,000
Capital assets being depreciated:				
Leasehold improvements	111,842	50,738	-	162,580
Furniture, fixtures and equipment	127,197	2,840	-	130,037
Buildings	287,331	54,417	-	341,748
Total capital assets	536,370	107,995	-	644,365
Accumulated depreciation:				
Leasehold improvements	77,998	15,565	-	93,563
Furniture, fixtures and equipment	104,737	8,463	-	113,200
Buildings	34,587	15,735	-	50,322
Total accumulated depreciation	217,322	39,763	-	257,085
Net capital assets	$ 319,048	$ 68,232	$ -	$ 387,280

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, 2024, unallocated depreciation expense was $39,763.

NOTE 4 – CONCENTRATIONS

A. Cash and cash equivalents

At year-end, the carrying amount of the School's deposits were $345,992 and the bank balances were $351,198. 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, 2024, amounts due from other funds consist of the following:

	Due from Other Funds	Due to Other Funds
General Funds	$ 124,604	$ -
ESSER Grant	-	85,179
Title I Grant	-	5,373
Child Care Nutrition Fund	-	34,052
Federal grants	$ 124,604	$ 124,604

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, 2024, the General Fund transferred $133,638 to the Child Care Nutrition Special Revenue Fund. The ESSER Special Revenue Fund transferred $85,179 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, 2024.

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB 101 increases the usefulness of governments' financial statements by requiring recognition of liabilities for compensated absences that previously were not recognized as an obligation of the government. It establishes a criteria for the recognition and measurement of the government. The provisions in GASB 101 were early implemented in the year ended June 30, 2024. The implementation of the new pronouncement did not have any impact on the financial statements of the School.

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, 2024 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
For The Year Ended June 30, 2024

	Original	Amended	Actual	Variance with Final Budget
Revenue				
Volusia County District School Board	$ 777,777	$ 848,059	$ 848,059	$ -
Other revenues:				
Donations	236,100	224,522	224,522	-
Child care service fees	756,000	514,901	514,901	-
Food service	53,500	119	119	-
Other income	179,959	79,785	79,785	-
Total revenues	2,003,336	1,667,386	1,667,386	-
Expenditures				
Current:				
Basic instruction	431,957	390,752	390,752	-
Exceptional instruction	31,058	34,011	34,011	-
Guidance support	96,115	128,983	128,983	-
Health services	-	2,918	2,918	-
Staff development	6,000	10,538	10,538	-
General administration	7,319	7,869	7,869	-
School administration	327,147	322,600	322,600	-
Fiscal services	76,254	64,059	64,059	-
Transportation	25,000	15,678	15,678	-
Operation of plant	245,562	224,743	224,743	-
Maintenance of plant	76,609	138,396	138,396	-
Other programs and services	512,638	500,838	500,838	-
Total expenditures	1,835,659	1,841,385	1,841,385	-
Excess (deficiency) of revenues over				-
(under) expenditures	167,677	(173,999)	(173,999)	-
Other financing sources (uses)				
Transfers in	-	85,179	85,179	-
Transfers out	-	(133,638)	(133,638)	-
Total other financing sources (uses)	-	(48,459)	(48,459)	-
Net change in fund balances	167,677	(222,458)	(222,458)	-
Fund balance at July 1, 2023	734,187	734,187	734,187	-
Fund balance at June 30, 2024	$ 901,864	$ 511,729	$ 511,729	$ -

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, 2024

	Original	Final	Actual	Variance with Final Budget
Revenue				
Federal grants	$ 70,000	$ 85,179	$ 85,179	$ -
Total revenues	70,000	85,179	85,179	-
Expenditures				
Current:				
Basic Instruction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	70,000	85,179	85,179	-
Other financing sources (uses)				
Transfers out	(70,000)	(85,179)	(85,179)	-
Total other financing sources (uses)	(70,000)	(85,179)	(85,179)	-
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2023	-	-	-	-
Fund balance at June 30, 2024	$ -	$ -	$ -	$ -

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, 2024

	Original	Final	Actual	Variance with Final Budget
Revenue				
Federal grants	$ 4,694	$ 5,373	$ 5,373	$ -
Total revenues	4,694	5,373	5,373	-
Expenditures				
Basic instruction	-	5,373	5,373	-
Total expenditures	-	5,373	5,373	-
Excess (deficiency) of revenues over (under) expenditures	4,694	-	-	-
Net change in fund balances	4,694	-	-	-
Fund balance at July 1, 2023	-	-	-	-
Fund balance at June 30, 2024	$ 4,694	$ -	$ -	$ -

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, 2024

	Original	Final	Actual	Variance with Final Budget
Revenue				
Federal grants	$ 60,000	$ 27,809	$ 27,809	$ -
Food service	-	35,521	35,521	
Total revenues	60,000	63,330	63,330	-
Expenditures				
Current:				
School administration	1,100	828	828	-
Food services	190,553	168,336	168,336	-
Operation of plant	30,478	27,804	27,804	-
Total expenditures	222,131	196,968	196,968	-
Excess (deficiency) of revenues over (under) expenditures	(162,131)	(133,638)	(133,638)	-
Other financing sources (uses)				
Transfers in	-	133,638	133,638	-
Total other financing sources (uses)	-	133,638	133,638	-
Net change in fund balances	(162,131)	-	-	-
Fund balance at July 1, 2023	-	-	-	-
Fund balance at June 30, 2024	$ (162,131)	$ -	$ -	$ -

See accompanying note to required supplemental information.

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, 2024, 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

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Florida Institute of Certified Public Accountants

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, 2024, 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, 2024.

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. However, providing an opinion on compliance with those

Report on Compliance and Other Matters (continued)

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, 2024

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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, 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, 2024, and have issued our report thereon dated September 30, 2024.

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, 2024, 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.

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'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, 2024

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

For the year ended June 30, 2024, there are no management recommendations.