HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Miami Arts, Inc.

(Miami Arts Charter School)

W/L 7059
Miami, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2024

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Miami Arts, Inc.
(Miami Arts Charter School)

W/L# 7059

95 NW 23rd Street
Miami, FL 33127

2023-2024

BOARD OF DIRECTORS

Dr. Raymond Kimsey, DDS, Board Chair
Jennifer Kenney, Director
Pablo Canals, Director

SCHOOL ADMINISTRATION

Alfredo de la Rosa, Founder, Chief Education Administrator
Christine de la Rosa, Co-Founder, Director of Education
Carolina Torres, Director of Curriculum and Student Services

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Miami Arts, Inc. (Miami Arts Charter School)
Miami, Florida

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund or the aggregate remaining fund information of Miami Arts, Inc. (Miami Arts Charter School) (the "School"), as of, and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprises the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Miami Arts, Inc. (Miami Arts Charter School) as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Arts, Inc. (Miami Arts Charter School) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 5 through 9 and 31 to 32 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 16, 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, grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 16, 2024

Management's Discussion and Analysis
Miami Arts, Inc. (Miami Arts Charter School)
June 30, 2024

The corporate officers of Miami Arts, Inc. (Miami Arts Charter School) have prepared this narrative overview and analysis of the school's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

1. The net position of the School at June 30, 2024 was $2,272,730.
2. At year-end, the School had current assets on hand of $3,392,666.
3. The School had an increase in net position of $1,924,529 for the year ended June 30, 2024.
4. The unassigned fund balance at year end was $2,241,517.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

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

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

Governmental Funds

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing. The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

Fiduciary Fund

The Fiduciary fund statement provides information about the financial relationship in which the School acts solely as a custodian for the benefit of other such as student activities. The School is responsible for ensuring that assets are used only for the intended purposes. The School excludes these activities from the Statement of Net Position because it cannot use these funds to finance its operations. The Fiduciary fund statement and change in net position can be found on page 16 – 17 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 18 – 30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, net position was $2,272,730 at the close of the fiscal year. A summary of the School's net position as of June 30, 2024 and 2023 is as follows:

	2024	2023
Current and other assets	$ 3,392,666	$ 5,531,680
Capital Assets, net	25,230,936	24,995,397
Long term assets	4,135,764	-
Total Assets	32,759,366	30,527,077
Deferred Outflows	-	-
Current liabilities	1,097,795	991,008
Long term debt	29,388,841	29,187,868
Total Liabilities	30,486,636	30,178,876
Deferred Inflows	-	-
Net Position:		
Net investment in capital assets	(4,285,364)	(4,278,510)
Restricted by bonds	1,500,644	3,270,182
Unrestricted	5,057,450	1,356,529
Total Net Position	$ 2,272,730	348,201

At the end of each current year, the School reported positive balance in total net position.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2024 and 2023 is as follows:

	2024	2023
REVENUES		
Program Revenues		
Capital outlay funding	$ 821,645	$ 884,546
Operating grants and contributions	1,678,103	413,918
General Revenues		
State and local sources	12,284,597	8,705,682
Other revenues	1,365,038	1,094,823
Total Revenues	16,149,383	11,098,969
EXPENSES		
Instruction and instructional related services	4,517,689	3,606,484
Instructional related technology	109,419	126,038
Pupil personnel services	614,746	446,818
Board	97,223	13,912
General administration	38,084	90,745
School administration	1,899,267	1,472,915
Fiscal services	286,389	285,790
Central services	261,792	234,863
Pupil transportation services	17,400	-
Operation of plant	1,399,436	1,344,761
Maintenance of plant	333,669	337,889
Unallocated depreciation	889,952	825,126
Interest	3,759,788	1,852,425
Total Expenses	14,224,854	10,637,766
Change in Net Position	1,924,529	461,203
Net Position at Beginning of Year	348,201	(113,002)
Net Position at End of Year	$ 2,272,730	$ 348,201

The School's revenue increased by $5,050,414 in the current year and expenses increased by $3,587,088. The School had an increase in its net position of $1,924,529 for the year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Capital Improvement Requirements

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

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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $2,316,269. The fund balance unassigned and available for spending at the School's discretion is $2,241,517.

The Debt Service Fund was created to account for resources accumulated and payments made for the principal and interest on long term debt of the School. At the end of the current fiscal year, the fund balance totaled $1,500,644, all of which was restricted to debt service.

Special Revenue Fund accounts for specific revenue, such as federal programs and grants that are legally restricted to expenditures for particular purposes. At the end of the current fiscal year, the fund had no ending balance.

Capital Assets

The School's investment in capital assets as of June 30, 2024 amounts to $25,230,936 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture, fixtures and computer equipment. As of June 30, 2024, the School had long term debt totaling $29,388,841 relating to capital assets.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to the School's administrative offices at Miami Arts, Inc. (Miami Arts Charter School), 95 NW 23rd Street, Miami, Florida 33127.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds (general fund, debt service fund, special revenue fund and capital projects funds) to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	$ 699,148	$ 699,148	$ 613,378
State passed through local	7,596,400	7,596,400	8,163,650
Local sources	1,220,629	1,220,629	1,507,225
Federal sources	446,015	1,678,103	1,678,103
Other revenue	1,004,930	1,004,930	1,365,038
Total revenues	10,967,122	12,199,210	13,327,394
CURRENT EXPENDITURES			
Instruction	3,671,175	4,861,333	4,517,690
Instructional related technology	192,652	192,652	109,419
Pupil personnel services	439,699	614,746	614,746
Board	30,825	98,000	97,223
General administration	89,343	89,343	38,084
School administration	1,401,021	1,899,267	1,899,267
Fiscal services	193,206	286,389	286,389
Food services	6,500	6,500	-
Central services	253,045	262,000	261,792
Pupil transportation services	2,000	17,400	17,400
Operation of plant	1,353,731	1,399,436	1,399,436
Maintenance of plant	254,610	333,669	333,669
Total current expenditures	$ 7,887,807	$ 10,060,735	$ 9,575,115

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Net Position
June 30, 2024

	Primary Government
	Governmental Activities
Assets	
Current assets:	
Cash	$ 3,294,830
Due from other agencies	44,482
Prepaid expenses	53,354
Total Current Assets	3,392,666
Capital assets, not being depreciated	
Land	6,746,070
Construction in progress	570,000
Capital assets, depreciable	
Building and fixed equipment	21,097,370
Building improvements	1,238,271
Furniture, fixtures and equipment	1,460,439
Computers, software and internet technologies	1,096,636
Less: accumulated depreciation	(6,977,850)
Total Capital Assets, net	25,230,936
Due from other agencies, long-term	2,613,722
Deposits	21,398
Restricted cash held by trustee	1,500,644
Total Assets	32,759,366
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable and other accrued expenses	970,336
Accrued interest	127,459
Revenue bond payable, current portion	417,334
Total current liabilities	1,515,129
Revenue bond payable, long-term portion	28,971,507
Total Liabilities	30,486,636
Deferred Inflows of Resources	-
Net position	
Net investment in capital assets	(4,285,364)
Restricted by bonds	1,500,644
Unrestricted	5,057,450
Total Net Position	2,272,730
Total Liabilities and Net Assets	$ 32,759,366

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Activities
For the year ended June 30, 2024

Primary Government	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:					
Instruction	$ 4,517,689	$ -	$ 1,678,103	$ -	$ (2,839,586)
Instructional related technology	109,419	-	-	-	(109,419)
Pupil personnel services	614,746	-	-	-	(614,746)
Board	97,223	-	-	-	(97,223)
General administration	38,084	-	-	-	(38,084)
School administration	1,899,267	-	-	-	(1,899,267)
Fiscal services	286,389	-	-	-	(286,389)
Central services	261,792	-	-	-	(261,792)
Pupil transportation services	17,400	-	-	-	(17,400)
Operation of plant	1,399,436	-	-	821,645	(577,791)
Maintenance of plant	333,669	-	-	-	(333,669)
Debt service	3,759,788	-	-	-	(3,759,788)
Unallocated depreciation	889,952	-	-	-	(889,952)
Total governmental activities	14,224,854	-	1,678,103	821,645	(11,725,106)
		General revenues:			
		State and local sources			12,284,597
		Interest income			510,051
		Other revenue			854,987
		Change in net position			1,924,529
		Net position, beginning			348,201
		Net position, ending			$ 2,272,730

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Special Revenue Fund	Non-major fund Capital Projects Fund	Total Governmental Funds
Assets					
Cash	$ 3,294,830	$ -	$ -	$ -	$ 3,294,830
Restricted cash held by trustee	-	1,500,644	-	-	1,500,644
Due from other agencies	-	-	-	44,482	44,482
Deposit receivable	21,398	-	-	-	21,398
Prepaid expenses	53,354	-	-	-	53,354
Due from funds	44,482	127,459	-	-	171,941
Total Assets	3,414,064	1,628,103	-	44,482	5,086,649
Deferred Outflows of Resources	-	-	-	-	-
Liabilities					
Accounts payable and other accrued expenses	970,336	-	-	-	970,336
Accrued interest	-	127,459	-	-	127,459
Due to funds	127,459	-	-	44,482	171,941
Total Liabilities	1,097,795	127,459	-	44,482	1,269,736
Deferred Inflows of Resources	-	-	-	-	-
Fund balance					
Nonspendable, not in spendable form	74,752	-	-	-	74,752
Restricted by Bonds	-	1,500,644	-	-	1,500,644
Unassigned	2,241,517	-	-	-	2,241,517
	2,316,269	1,500,644	-	-	3,816,913
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,414,064	$ 1,628,103	$ -	$ 44,482	$ 5,086,649

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds		$ 3,816,913
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, non-depreciable	7,316,070	
Capital assets, depreciable	24,892,716	
Less: accumulated depreciation	(6,977,850)	
		25,230,936
Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds.		2,613,722
Long term liabilities which are not due and payable in the current period and, therefore, is not reported in the governmental funds.		(29,388,841)
Total Net Position - Governmental Activities		$ 2,272,730

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
For the year ended June 30, 2024

	General Fund	Debt Service Fund	Special Revenue Fund	Non-major Fund: Capital Projects Fund	Total Governmental Funds
Revenues:					
State capital outlay funding	$ -	$ -	$ -	$ 613,378	$ 613,378
State passed through local	8,163,650	-	-	-	8,163,650
Federal sources	-	-	1,678,103	-	1,678,103
Local sources	1,507,225	-	-	208,267	1,715,492
Other revenue	854,987	510,051	-	-	1,365,038
Total Revenues	10,525,862	510,051	1,678,103	821,645	13,535,661
Expenditures:					
Current					
Instruction	2,881,517	-	1,636,173	-	4,517,690
Instructional related technology	109,419	-	-	-	109,419
Pupil personnel services	614,746	-	-	-	614,746
Board	97,223	-	-	-	97,223
General administration	38,084	-	-	-	38,084
School administration	1,899,267	-	-	-	1,899,267
Fiscal services	286,389	-	-	-	286,389
Central services	261,792	-	-	-	261,792
Pupil transportation services	17,400	-	-	-	17,400
Operation of plant	1,399,436	-	-	-	1,399,436
Maintenance of plant	333,669	-	-	-	333,669
Capital Outlay:					
Other capital outlay	1,083,560	-	41,930	-	1,125,490
Debt Service:					
Repayment of principal	-	30,049,836	-	-	30,049,836
Interest	-	2,101,822	-	-	2,101,822
Bond issuance discount	-	849,557	-	-	849,557
Refinancing costs	-	808,409	-	-	808,409
Total Expenditures	9,022,502	33,809,624	1,678,103	-	44,510,229
Excess (Deficit) of revenues over expenditures	1,503,360	(33,299,573)	-	821,645	(30,974,568)
Other financing sources (uses):					
Revenue bonds issued	-	29,856,093	-	-	29,856,093
Discount on revenue bonds and refinancing cost, net	-	394,716	-	-	394,716
Transfers in and (out)	(543,620)	1,725,208	-	(1,181,588)	-
Net change in fund balance	959,740	(1,323,556)	-	(359,943)	(723,759)
Fund Balance at beginning of year	1,356,529	2,824,200	-	359,943	4,540,672
Fund Balance at end of year	$ 2,316,269	$ 1,500,644	$ -	$ -	$ 3,816,913

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2024

Net Change in Fund Balance - Governmental Funds		$ (723,759)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	1,125,490	
Depreciation expense	(889,951)	235,539
The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Increase in long-term liabilities	(29,856,093)	
Discount on revenue bonds	417,416	
Principal payments on long-term liabilities	29,237,704	
		(200,973)
Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds.		2,613,722
Change in Net Position of Governmental Activities		$ 1,924,529

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Fiduciary Net Position - Custodial Funds
June 30, 2024

	Custodial Funds Schools Internal Account
Assets	
Cash	$ 235,519
Total Assets	235,519
Deferred Outflows of Resources	-
Liabilities	
Total Liabilities	-
Deferred Inflows of Resources	-
Net Position	$ 235,519

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

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Change in Fiduciary Net Position - Custodial Funds
June 30, 2024

	Custodial Funds Schools Internal Account
Additions	
Contributions	$ 180,719
Sales of items	14,310
Special events	100,891
Student charged and field trips	386,491
Total additions	682,411
Deductions	
Bank charges	244
Contracted services and commissions	98,626
Dues, subscriptions and fees	41,157
Meals and entertainment	15,327
Purchases and supplies	154,279
Rentals	186,495
Travel	140,999
Total deductions	637,127
Net increase in fiduciary net position	45,284
Fiduciary net position, beginning	190,235
Fiduciary net position, ending	$ 235,519

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

Note 1 – Summary of Significant Accounting Policies

Organization

Miami Arts, Inc., d/b/a Miami Arts Charter School (the "School"), is a not-for-profit corporation organized pursuant to Chapter 617, and Section 1002.33, Florida Statutes. The governing body of the School is the board of directors of the not-for-profit corporation, which is composed of three members. The School is funded by and operates under a charter granted by the sponsoring district, the District School Board of Miami Dade County (the "District"). The current charter expires on June 30, 2039 and is renewable by mutual written agreement between the School and the District. During the term of the charter, the District may terminate the charter if good cause is shown. The School's campus and administrative offices are located in Miami, Florida for students from grades six to twelve. These financial statements are for the year ended June 30, 2024, when 1,032 students were enrolled for the school year.

Basis of presentation and Reporting Entity

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government wide and fund financial statements.

Miami Arts Wynwood, LLC ("Wynwood") was organized under the laws of the State of Florida, the sole member of which is the School. Wynwood is a legally separate entity established for the sole purpose of serving as the lessor to the School pursuant to the Series 2014A and 2014B Bond issue and Series 2024A and 2024B Bonds issue (See Note 6 – Long Term Debt). Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement No. 61, when a government owns a majority of the voting stock of a for-profit corporation, the government's intent for owning the stock should determine whether the corporation is presented as a component unit or an investment of the primary government. The sole intent of Wynwood was to acquire the site and new facilities and lease the facilities to the School and therefore, it is included as a blended component unit of the School. Wynwood includes the Debt Service Fund and the Capital Projects Fund. Separate financial statements are not required or reported for Wynwood.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report all non-fiduciary activities of the School and its component units. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include Fiduciary funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and state and local sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Fund Financial Statements

Fund financial statements are provided for governmental funds and Fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The school reports the following major governmental funds:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on long-term debt of the School.

Note 1 – Summary of Significant Accounting Policies (continued)

Additionally, the school reports separately the following Fiduciary fund types

> *Custodial Fund* – The School has adopted Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activity*. Accordingly, the School's internal fund accounts are used to administer monies collected at the school in connection with school, student activities, class, and club activities.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report uses the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due. Fiduciary fund assets and liabilities are accounted for on the accrual basis of accounting. The Fiduciary Funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Note 1 – Summary of Significant Accounting Policies (continued)

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

Inter-fund Transfers
Outstanding balances between funds are reported as "due to/from" other funds. Inter-fund transfers are made to move funds from the General Fund to the Debt Service and Capital Projects Fund in order to fund scheduled debt service and capital projects expenditures.

Cash and Deposits
All deposits are held in major banks and high grade investments. Cash and deposits include all highly liquid investments with a maturity of three months or less. (See Note 2.)

Due from Other Governments or Agencies
Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Long –Term Debt
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Capital Assets
The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Note 1 – Summary of Significant Accounting Policies (continued)

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, Fixtures and Equipment	5-10 Years
Computer, Software, and Internet Technology	3-5 Years
Building	40 Years

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the school receives an annual allocation of charter school capital outlay funds for leasing of school facilities. In addition, the School receives a portion of the local operating millage revenues levied by the District (Secure Our Future Referendum).

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement revenues levied by the District.

Finally, the School may also receive Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

The School grants a specific number of sick and personal days. In the event that available time is not used by the end of the benefit year, employees will not be able to "rollover" unused days for use in future years. There is no termination payment for accumulated unused sick days. GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years.

Income Taxes

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Assets Restricted by Bond

Restricted assets include cash balances that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including insurance deductible and repair and replacement reserve requirements. The indenture of Trust requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2024, composition of restricted account is as follows:

Debt Service Reserve	
Insurance Deductible Reserve - Series 2024A and 2024B	$ 1,000,644
Repair and Replacement Reserve - Series 2024A and 2024B	500,000
	$ 1,500,644

Net Position and Fund Balance Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.

Note 1 – Summary of Significant Accounting Policies (continued)

c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for a specific purpose, the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with deposits and prepaid expenses.
b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance of the School relates to the bond issued.
c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
d) Assigned - fund balance classification is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates

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

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2024, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 100, A*ccounting Charges and Error Corrections*. The adoption had no material effect on the School's financial statements as of June 30, 2024.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 101, *Compensating Absences*. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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 16, 2024 which is the date the financial statements were available to be issued.

Note 2 – Cash and Cash Equivalents

Deposits

Operating cash is held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateral with securities held in Florida's multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Any other cash deposits are held at FDIC-insured institutions.

Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Note 3 – Due from Other Agencies

The following is due from other agencies as of June 30, 2024:

Funding Source	Fund		
Capital Outlay	Capital Projects Fund	$	44,482
Total Due from Other Agencies, current			44,482
Due from Miami-Dade County Public Schools, referendum, long-term portion			2,613,722
Total Due from Other Agencies		$	2,658,204

Note 4 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2024:

	Balance 07/01/23	Additions	Retirements	Balance 06/30/24
Capital assets, not being depreciated				
Land	$ 6,746,070	$ -	$ -	$ 6,746,070
Construction in progress	-	570,000	-	570,000
Capital assets, depreciable				
Building and fixed equipment	21,097,370	-	-	21,097,370
Building improvements	1,060,873	177,398	-	1,238,271
Furniture, fixtures and equipment	1,316,723	143,716	-	1,460,439
Computers, software and technology	862,260	234,376	-	1,096,636
	31,083,296	1,125,490	-	32,208,786
Less Accumulated Depreciation	(6,087,899)	(889,951)	-	(6,977,850)
Capital Assets, net	$ 24,995,397	$ 235,539	$ -	$ 25,230,936

Depreciation expense for the year ended June 30, 2024, amounted to $889,951.

Note 5 – Transactions with Related Parties

The School entered into a management agreement with a charter management company, New Way Schools, Inc. (“NWS”) to provide management and administrative services to the School. Currently, the School’s Founder and Chief Education Administrator has an ownership interest in NWS.

Note 5 – Transactions with Related Parties (continued)

The agreement expired on June 30, 2019, and it was renewed to continue through June 30, 2025, and requires the School to pay, as compensation, a management fee of $420 per Full Time Equivalent (FTE) per annum. On October 16, 2014, the agreement was amended and changed the amount of compensation to the lesser of (i) $420 per FTE, or (ii) the amount allocated for payment to NWS in the annual budget payable monthly in arrears. In addition, the management fee is subordinated under the terms of the School lease, loan and bond agreements. The School's management fee for the year ended June 30, 2024 was $441,840.

During the fiscal year, the School paid approximately $282,000 to the School's Founder and Chief Education Administrator as an advisory fee for the refinancing of the bonds.

Note 6 – Long Term Debt

Revenue Bond

Miami Arts, Inc. and Miami Arts Wynwood, LLC (the "Borrowers") previously entered into a Mortgage and Loan Agreement, dated October 1, 2014, by and among the Florida Development Finance Corporation ("FLDFC") and the Charter School (together with the FLDFC, the "Prior Issuers") and the Borrowers pursuant to which the Prior Issuers issued their Florida Development Finance Corporation Educational Facilities Revenue Bonds (Miami Arts Charter School Project) Series 2014A in the original aggregate principal amount of $30,000,000 (the "Refunded Bonds") and the Charter School issued its Taxable Educational Facilities Revenue Bonds (Miami Arts Charter School Project) Series 2014B in the original aggregate principal amount of $4,710,000 (the "Series 2014B Bonds" which Series 2014B Bonds were retired on June 15, 2023) for the purpose of acquiring, constructing, and equipping the site for the Charter School, and making improvements thereto, for use by the Charter School.

On March 28, 2024, Capital Trust Authority issued the Educational Facilities Revenue Refunding Bonds (Miami Arts Charter School Project) Tax-Exempt Series 2024A Bonds (the "Series 2024A Bonds") in the original principal amount of $20,208,713 and Education Facilities Revenue Refunding Bonds (Miami Arts Charter School Project) Federally Taxable Series 2024B Bonds (the "Series 2024B Bonds," and together with the Series 2024A Bonds, the "Bonds") in the original principal amount up to of $9,647,380, for the purpose of (a) refunding and defeating the Refunded Bonds; (b) funding an Insurance Deductible Account; (c) funding a Repair and Replacement Reserve Account; and (d) paying certain costs of issuance of the Bonds. For the Series 2024B, the School is pending to draw an additional $500,000 in bond proceeds to establish a Repairs and Replacement Account.

The Bonds are subject to an interest rate of 4.82% for the Series 2024A Bonds and 6.10% for the Series 2024B Bonds.

Note 6 – Long Term Debt (continued)

The Bonds are payable in monthly installments of accrued interest and principal. All remaining principal plus all unpaid accrued interest shall be due and payable in full on the Maturity Date. The bonds contain restrictive covenants related to debt service coverage ratio, days cash on hands requirements, student enrollment and reporting requirements. However, the School's revenues are pledge under this bond issuance up to the remaining balance as of June 30, 2024. In the event of default, the maturity date can be accelerated and/or the underlying collateral may be subject to foreclosure.

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total	
2025	$ 417,334	$ 1,958,255	$ 2,375,589	
2026	439,693	1,958,255	2,397,948	
2027	463,265	1,958,255	2,421,520	
2028	484,049	1,958,255	2,442,304	
2029	514,096	1,958,255	2,472,351	
2030-2034	27,487,820	34,554,087	62,041,907	(Total of five year period)
	$ 29,806,257	$ 44,345,362	$ 74,151,619	

Interest expense for the year ended June 30, 2024 was $2,101,822. Bonds issuance costs total $808,409. The Bonds were issued at a discount which was deferred and is being amortized over the life of the bonds using the effective interest method. The Bonds payable are presented net of the applicable discount. Amortization of Bond discount during the year amounted to $37,425.

Long term debt activity for the year ended June 30, 2024 was as follows:

Governmental activities:	Beginning Balance	Advances	(Payments)	Amortization	Ending Balance	Due within One Year
Educational Facilities Revenue Bonds, Series 2024A	$ -	$ 20,208,713	$ (38,573)	$ -	$ 20,170,140	$ 307,362
Educational Facilities Revenue Bonds, Series 2024B	-	9,647,380	(11,263)	-	9,636,117	109,972
Educational Facilities Revenue Bonds, Series 2014A	30,000,000	-	(30,000,000)	-	-	-
	$ 30,000,000	$ 29,856,093	$ (30,049,836)	$ -	$ 29,806,257	$ 417,334
Bond Discount	(812,132)	(454,841)	812,132	37,425	(417,416)	-
Total	$ 29,187,868	$ 29,401,252	$ (29,237,704)	$ 37,425	$ 29,388,841	$ 417,334

Note 7 – Commitments, Contingencies and Concentrations

Commitments

During the fiscal year, the School entered into a commitment for a HVAC replacement project. The agreement is for a maximum amount of $1,140,000, of which $570,000 remained uncompleted and was not accrued for at year end.

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Note 8 – Inter-fund Transfers

Interfund transfers in governmental funds as of June 30, 2024 consist of the following:

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund (Non-Major)
Transfer from capital outlay and general fund for debt service	$ (543,620)	$ 1,725,208	$ -	$ (1,181,588)
Total Transfers, net	$ (543,620)	$ 1,725,208	$ -	$ (1,181,588)

Due from / (Due to) balances as of June 30, 2024 consist of the following:

Due to General Fund from Capital Projects Fund for capital outlay	$ 44,482	$ -	$ -	$ (44,482)
Due to Debt Service Fund from General Fund from	(127,459)	127,459	-	-
Total Due from/(Due to)	$ (82,977)	$ 127,459	$ -	$ (44,482)

Note 9 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

Note 10 – Referendum

On November 6, 2018, and November 8, 2022, the voters of Miami-Dade approved and renewed, respectively, the Secure Our Future Referendum to raise/maintain teacher compensation and improve school safety and security. The Miami-Dade County School District shares a portion with charter schools. The District entered into a settlement agreement with the School for the 2018 Referendum funds not received for the 2019-2020; 2020-2021; 2021-2022 school years. The estimated amount to be paid by The District regarding these funds totals $2,613,722.

The following is the referendum funds allocated and expended as of and for the year ended June 30, 2023 and 2024:

	2022-2023
Funds Allocation	$ 983,163
Less: Actual Expenditures	(983,163)
Rollover revenues as of June 30, 2023	$ -

	2023-2024
Actual Allocation	$ 1,507,225
Less: 2023-2024 Contingency	-
2023-2024 Referendum Funds	1,507,225
Less: Actual Expenditures	1,507,225
Restricted 2023-2024 Referendum as of June 30, 2024	$ -

The following are referendum revenues recognized by the School for the year ended June 30, 2024:

Total Referendum Revenue Recognized for Allowable Expenditures:	
2023-2024 Referendum Funds	$ 1,507,225
2018 Referendum Settlement Agreement	2,613,722
Total per Government-Wide Statement of Activities	4,120,947
Less: Due from Miami-Dade County Public Schools, referendum, long-term portion	2,613,722
Total per Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 1,507,225

REQUIRED SUPPLEMENTARY INFORMATION

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Revenues, Expenditures, and Changes in Fund Balance - General fund
For the year ended June 30, 2024

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	$ 7,596,400	$ 7,596,400	$ 8,163,650
Local sources	1,220,629	1,220,629	1,507,225
Other revenues	932,930	932,930	854,987
Total Revenues	9,749,959	9,749,959	10,525,862
EXPENDITURES			
Current:			
Instruction	3,225,160	3,225,160	2,881,517
Instructional related technology	192,652	192,652	109,419
Pupil personnel services	439,699	614,746	614,746
Board	30,825	98,000	97,223
General administration	89,343	89,343	38,084
School administration	1,401,021	1,899,267	1,899,267
Fiscal services	193,206	286,389	286,389
Food service	6,500	6,500	-
Pupil transportation services	2,000	17,400	17,400
Central services	253,045	262,000	261,792
Operation of plant	1,353,731	1,399,436	1,399,436
Maintenance of plant	254,610	333,669	333,669
Total current expenditures	7,441,792	8,424,562	7,938,942
Excess of revenues Over current expenditures	2,308,167	1,325,397	2,586,920
Total capital outlay and Debt service expenditures	-	1,083,560	1,083,560
Total expenditures	7,441,792	9,508,122	9,022,502
Excess of revenues Over expenditures	2,308,167	241,837	1,503,360
Other financing sources (uses):			
Transfers out	-	-	(543,620)
Net change in fund balance	2,308,167	241,837	959,740
Fund balance at beginning of year	1,356,529	1,356,529	1,356,529
Fund balance at end of year	$ 3,664,696	$ 1,598,366	$ 2,316,269

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Miami Arts, Inc. (Miami Arts Charter School)
(A charter school)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Fund
For the year ended June 30, 2024

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	$ 446,015	$ 1,678,103	$ 1,678,103
Total Revenues	446,015	1,678,103	1,678,103
EXPENDITURES			
Current:			
Instruction	446,015	1,636,173	1,636,173
Total current expenditures	446,015	1,636,173	1,636,173
Excess of revenues			
Over current expenditures	-	41,930	41,930
Capital outlay:			
Other capital outlay	-	41,930	41,930
Total capital outlay and			
Debt service expenditures	-	41,930	41,930
Total expenditures	446,015	1,678,103	1,678,103
Excess of revenues			
Over expenditures	-	-	-
Other financing sources:			
Transfers in and (out)	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	$ -	$ -	$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

HLB GRAVIER, LLP
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 of
Miami Arts, Inc. (Miami Arts Charter School)
Miami, 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 Miami Arts, Inc. (Miami Arts Charter School) (the "School") 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 16, 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 as a basis to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal. 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 have not been identified.

Report Compliance and Other Matters

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

We issued a separate management letter dated September 16, 2024 pursuant to Chapter 10.850, Rules of the Auditor General.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 16, 2024

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

To the Board of Directors of
Miami Arts, Inc. (Miami Arts Charter School)
Miami, Florida

Report on the Financial Statements
We have audited the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Miami Arts, Inc. (Miami Arts Charter School) Miami, Florida as of and for the year ended June 30, 2024 and have issued our report thereon dated September 16, 2024.

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

Other Report Requirements
We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosure in those reports, which are dated September 16, 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 finding or recommendation in the prior year audit.

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 Miami Arts, Inc. (Miami Arts Charter School), (W/L #7059).

Financial Condition and Management
Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Miami Arts, Inc. (Miami Arts Charter School) has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Miami Arts, Inc. (Miami Arts Charter School) did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Miami Arts, Inc. (Miami Arts Charter School) It is management's responsibility to monitor Miami Arts, Inc. (Miami Arts Charter School)'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation 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 Miami Arts, Inc. (Miami Arts Charter 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 Miami Arts, Inc. (Miami Arts Charter School) has not fully complied with this requirement. We recommended that the School periodically updates and maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes to be in compliance.

Management's response: Regarding the notes to the financial statements and the posting of required information to the school website, we have reviewed and updated the school's pertinent webpage. It is now compliant. Additionally, we have taken steps to ensure that as we upgrade to a new website soon, our web manager will be charged with ensuring all future updates and information be maintained regularly moving forward.

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, or waste, 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, School Board of Miami-Dade County, Federal and other granting agencies, 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.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 16, 2024