

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER
RENAISSANCE ARTS AND EDUCATION, INC.)

A Charter School and Component Unit of the
District School Board of Manatee County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2025

King & Walker, CPAs, PL

Certified Public Accountants

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MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)

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Independent Auditor's Report

To the Board of Directors Manatee School for the Arts,
(A Charter School Under Renaissance Arts and Education, Inc.)
a Charter School and Component Unit of the
District School Board of Manatee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Manatee School for the Arts. ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2025, 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 (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 the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2025, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Renaissance Arts and Education, Inc. These financial statements do not purport to and do not present fairly the financial position of Renaissance Arts and Education, Inc. as of June 30, 2025, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report September 8, 2025, 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 the School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2025
Tampa, Florida

MANATEE SHOOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Manatee School for the Arts (“School”) provides an overview of the School’s financial activities for the fiscal year ended June 30, 2025.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2025, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$1,167,673.
- As shown on the statement of net position, the School reported a total net position balance of \$14,946,070.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of Net Position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School’s Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

MANATEE SHOOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School’s financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the School’s near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School’s most significant funds. The School operates four funds; a General Fund to account for its general operations, a Special Revenue Fund to account for Federal grant programs, food service operations, and internal account activities, a Capital Projects Fund to account for its charter school capital outlay funds, and a Debt Service Fund to account for long-term debt resources and transactions. For reporting purposes, the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund are considered major funds of the School.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with their budgets.

Notes to Financial Statements

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

MANATEE SHOOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School’s current and prior year net position changes:

	Net Position, End of Year		
	Governmental Activities		
	6-30-24	6-30-25	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 8,393,196	\$ 10,901,741	\$ 2,508,545
Capital Assets, Net	23,496,595	25,597,505	2,100,910
Total Assets	31,889,791	36,499,246	4,609,455
LIABILITIES			
Current Liabilities	651,791	527,847	(123,944)
Noncurrent Liabilities	17,459,603	21,025,329	3,565,726
Total Liabilities	18,111,394	21,553,176	3,441,782
NET POSITION			
Net Investment in Capital Assets	6,036,992	4,572,176	(1,464,816)
Restricted	1,622,528	2,665,720	1,043,192
Unrestricted	6,118,877	7,708,174	1,589,297
Total Net Position	\$ 13,778,397	\$ 14,946,070	\$ 1,167,673

The largest portions of the School’s total assets are cash and cash equivalents and investments (17%) and capital assets, net of accumulated depreciation (69%). Current liabilities consist of salaries and benefits payable and accounts payable. Long-term liabilities consist of notes payable and bonds payable for the purchase and construction of its School facilities. The School reported an unrestricted net position balance of \$7,708,174.

MANATEE SHOOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School’s change in net position for the current and prior year:

	Operating Results for the Year		
	Governmental Activities		
	6-30-24	6-30-25	Increase (Decrease)
Revenues:			
Federal Through State and Local	\$ 2,542,865	\$ 2,041,893	\$ (500,972)
State	16,495,589	17,954,055	1,458,466
Local and Other	4,577,156	6,327,181	1,750,025
Total Revenues	23,615,610	26,323,129	2,707,519
Expenses:			
Instruction	11,445,069	11,091,857	(353,212)
Student Support Services	495,671	588,820	93,149
Instructional Media	115,612	81,839	(33,773)
Instructional Staff Training	17,123	16,118	(1,005)
Instructional Related Technology	142,649	110,932	(31,717)
Board	21,700	28,600	6,900
School Administration	2,188,220	2,910,858	722,638
Facilities Acquisition & Construction	323,498	24,338	(299,160)
Fiscal Services	255,900	164,493	(91,407)
Food Services	698,672	1,048,456	349,784
Student Transportation	1,774,658	1,560,294	(214,364)
Operation of Plant	1,727,435	2,205,915	478,480
Maintenance of Plant	177,115	420,441	243,326
Community Service	412,737	486,060	73,323
Debt Service - Interest & Fiscal Charges	934,199	1,893,176	958,977
Amortization of Bond Discount	3,780	3,780	-
Unallocated Depreciation	1,424,767	1,648,685	223,918
Special Item - Intercompany Transfer	-	870,794	870,794
Total Expenses	22,158,805	25,155,456	2,996,651
Increase/(Decrease) in Net Position	\$ 1,456,805	\$ 1,167,673	\$ (289,132)

The largest revenue source for the School is the State of Florida (68%). The School also received 8% of its total revenue from Federal grants. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses was for Instruction-related functions, which amounted to 49% total expenditures.

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A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL’S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$10,373,894.

BUDGETARY HIGHLIGHTS

The budgets for the General Fund and the Special Revenue Fund for the fiscal year ended June 30, 2025, were developed based on the School’s anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, management revised each fund’s budget. For the fiscal year ended June 30, 2025, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School’s investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$25,597,505 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, fixtures, and equipment, motor vehicles, and construction in progress. Additional information regarding the School’s capital assets can be found in the notes to the financial statements.

DEBT

On June 1, 2022, the School (Via the City of Palmetto, Florida) issued \$30,970,000 of new debt to retire existing debt and for the construction of an elementary school of approximately \$13,423,000. In June 2025, the School authorized a financing agreement for up to \$32,000,000 for construction of additional School facilities. As of June 30, 2025, only \$3,497,708 has been drawn from this loan. The School, also entered into a financing arrangement for approximately \$310,000 for the purchase of buses. Additional information regarding the School’s long-term debt can be found in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School’s administrative offices at 700 Haben Blvd., Palmetto, FL 34211.

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2025

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 2,906,772
Investments	3,380,951
Due From Other Agencies	2,149,783
Accounts Receivable	2,435,963
Prepaid Items & Deposits	28,272
Capital Assets:	
Land	6,328,047
Buildings & Improvements, Net	13,429,806
Furniture, Fixtures, and Equipment, Net	2,006,575
Motor Vehicles, Net	1,412,141
Construction in Progress	2,420,936
Total Capital Assets	<u>25,597,505</u>
TOTAL ASSETS	<u>36,499,246</u>
LIABILITIES	
Salaries and Benefits Payable	286,023
Accounts Payable	241,824
Noncurrent Liabilities:	
Due Within One Year:	
Bonds Payable	155,925
Notes Payable	139,664
Due After One Year:	
Bonds Payable	16,827,289
Notes Payable	3,902,451
TOTAL LIABILITIES	<u>21,553,176</u>
NET POSITION	
Net Investment in Capital Assets	4,572,176
Restricted for Capital Projects	1,058,642
Restricted for Debt Service	1,358,733
Restricted for Food Program	230,596
Restricted for Internal Accounts	17,749
Unrestricted	7,708,174
TOTAL NET POSITION	<u><u>\$ 14,946,070</u></u>

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

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 11,091,857	\$ -	\$ 66,396	\$ -	\$ (11,025,461)
Student Support Services	588,820	-	-	-	(588,820)
Instructional Media	81,839	-	-	-	(81,839)
Instructional Staff Training	16,118	-	-	-	(16,118)
Instructional Related Technology	110,932	-	-	-	(110,932)
Board	28,600	-	-	-	(28,600)
School Administration	2,910,858	-	-	-	(2,910,858)
Facilities Acquisition & Construction	24,338	-	-	-	(24,338)
Fiscal Services	164,493	-	-	-	(164,493)
Food Services	1,048,456	140,980	990,045	-	82,569
Student Transportation	1,560,294	-	-	-	(1,560,294)
Operation of Plant	2,205,915	-	80,537	-	(2,125,378)
Maintenance of Plant	420,441	-	-	-	(420,441)
Community Service	486,060	420,554	-	-	(65,506)
Debt Service - Interest & Fiscal Charges	1,893,176	-	-	-	(1,893,176)
Amortization of Bond Discount	3,780	-	-	-	(3,780)
Unallocated Depreciation	1,648,685	-	-	-	(1,648,685)
Total Governmental Activities	<u>\$ 24,284,662</u>	<u>\$ 561,534</u>	<u>\$ 1,136,978</u>	<u>\$ -</u>	<u>(22,586,150)</u>
General Revenue					
State Sources					17,954,055
Local and Other					5,765,647
Grants and Contributions not restricted to specific program					904,915
Special Item - Intercompany Transfers					(870,794)
Total General Revenues					<u>23,753,823</u>
Change in Net Position					1,167,673
Net Position - July 1, 2024					<u>13,778,397</u>
Net Position - June 30, 2025					<u>\$ 14,946,070</u>

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

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 346,791	\$ 248,345	\$ 952,903	\$ 1,358,733	\$ 2,906,772
Investment	3,380,951				3,380,951
Due From Other Agencies	2,044,044	-	105,739	-	2,149,783
Accounts Receivable	2,435,963	-	-	-	2,435,963
Prepaid Items & Deposits	28,272	-	-	-	28,272
Total Assets	<u>\$ 8,236,021</u>	<u>\$ 248,345</u>	<u>\$ 1,058,642</u>	<u>\$ 1,358,733</u>	<u>\$ 10,901,741</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 286,023	\$ -	\$ -	\$ -	\$ 286,023
Accounts Payable	241,824	-	-	-	241,824
Total Liabilities	<u>527,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>527,847</u>
FUND BALANCES					
Nonspendable	28,272	-	-	-	28,272
Restricted for Capital Projects	-	-	1,058,642	-	1,058,642
Restricted for Debt Service	-	-	-	1,358,733	1,358,733
Restricted for Internal Accounts	-	17,749	-	-	17,749
Restricted for Food Program	-	230,596	-	-	230,596
Unassigned	7,679,902	-	-	-	7,679,902
Total Fund Balances	<u>7,708,174</u>	<u>248,345</u>	<u>1,058,642</u>	<u>1,358,733</u>	<u>10,373,894</u>
Total Liabilities and Fund Balances	<u>\$ 8,236,021</u>	<u>\$ 248,345</u>	<u>\$ 1,058,642</u>	<u>\$ 1,358,733</u>	<u>\$ 10,901,741</u>

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

MANATEE SCHOOL FOR THE ARTS
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances - Governmental Funds		\$ 10,373,894
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		25,597,505
Noncurrent liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
	Bonds Payable, net of Discount	(16,983,214)
	Note Payable	(4,042,115)
		<u>(21,025,329)</u>
Total Net Position - Governmental Activities		<u><u>\$ 14,946,070</u></u>

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

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 904,915	\$ 1,136,978	\$ -	\$ -	\$ 2,041,893
State	16,697,635	-	1,256,420	-	17,954,055
Local and Other	4,614,039	561,534	1,048,100	103,508	6,327,181
Total Revenues	<u>22,216,589</u>	<u>1,698,512</u>	<u>2,304,520</u>	<u>103,508</u>	<u>26,323,129</u>
Expenditures					
Current - Education:					
Instruction	10,921,381	66,396	104,080	-	11,091,857
Student Support Services	588,820	-	-	-	588,820
Instructional Media	81,839	-	-	-	81,839
Instructional Staff Training	16,118	-	-	-	16,118
Instructional Related Technology	110,932	-	-	-	110,932
Board	28,600	-	-	-	28,600
School Administration	2,882,452	-	28,406	-	2,910,858
Facilities Acquisition & Construction	-	-	24,338	-	24,338
Fiscal Services	156,402	-	8,091	-	164,493
Food Services	-	1,048,456	-	-	1,048,456
Student Transportation	1,560,294	-	-	-	1,560,294
Operation of Plant	2,120,484	80,537	4,894	-	2,205,915
Maintenance of Plant	420,441	-	-	-	420,441
Community Service	8,269	477,791	-	-	486,060
Fixed Capital Outlay:					
Facilities Acquisition & Construction	53,596	-	3,340,272	-	3,393,868
Other Capital Outlay	198,590	17,655	139,482	-	355,727
Debt Service:					
Principal	-	-	-	245,708	245,708
Interest & Fiscal Charges	870,794	-	-	1,022,382	1,893,176
Total Expenditures	<u>20,019,012</u>	<u>1,690,835</u>	<u>3,649,563</u>	<u>1,268,090</u>	<u>26,627,500</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>2,197,577</u>	<u>7,677</u>	<u>(1,345,043)</u>	<u>(1,164,582)</u>	<u>(304,371)</u>
Other Financing Sources (Uses):					
Proceeds from Debt	309,946	-	3,497,708	-	3,807,654
Special Item - Intercompany Transfer	(870,794)	-	-	-	(870,794)
Transfers In/(Out)	(47,432)	-	(1,268,090)	1,315,522	-
Total Other Financing Sources (Uses)	<u>(608,280)</u>	<u>-</u>	<u>2,229,618</u>	<u>1,315,522</u>	<u>2,936,860</u>
Net Change in Fund Balances	1,589,297	7,677	884,575	150,940	2,632,489
Fund Balances, July 1, 2024	6,118,877	240,668	174,067	1,207,793	7,741,405
Fund Balances, June 30, 2025	<u>\$ 7,708,174</u>	<u>\$ 248,345</u>	<u>\$ 1,058,642</u>	<u>\$ 1,358,733</u>	<u>\$ 10,373,894</u>

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Manatee School for the Arts (“School”), a charter school under Renaissance Arts and Education, Inc. and a component Unit of the District School Board of Manatee County, Florida. The School’s charter is held by Renaissance Arts and Education, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Renaissance Arts and Education, Inc., as of June 30, 2025, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, the District School Board of Manatee County, Florida, (“District”). The current charter is effective until June 30, 2028, and is subject to annual review and may be renewed 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 this case, the District is required to notify the School in writing at least 90 days prior to the charter’s expiration. 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 District; and meets the definition of a governmental entity under the *Audit and Accounting Guide – State and Local Governments* issued by the American Institute of Certified Public Accountants; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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 provides 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.

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➤ **Basis of Presentation**

Government-wide Financial Statements: Government-wide financial statements, including the statement of Net Position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School considers all of its funds to be major governmental funds as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs, food service operations, and internal account activities.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with loan proceeds and capital outlay funds.

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➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. 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 recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Investments**

The School had not adopted a written investment policy. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit

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quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The School's investments are set aside to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital assets and are classified as restricted. These investments are reported as restricted in the Debt Service Fund in the Balance Sheet – Governmental Funds.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-40 years
Motor Vehicles	10 years
Furniture, Fixtures and Equipment	5-10 years

➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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(s) 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 financial 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

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applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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 reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

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➤ **Order of Fund Balance Spending Policy**

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are 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(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (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 (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplies by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2025, the School reported 2,0258.48 unweighted and 2,019.83 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

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- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state 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.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations, fundraising efforts, and local property tax collections. The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Tax**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States (GAAP) management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

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2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. INVESTMENTS

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the School's recurring fair value measurements as of June 30, 2025, are valued using quoted market prices (Level 1 inputs).

The School's investments at June 30, 2025, are reported as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Cash and Cash Equivalents:			
Money Market Funds	\$ 59,724	\$ 1,358,733	\$ 1,418,457
Total Cash and Cash Equivalents	<u>59,724</u>	<u>1,358,733</u>	<u>1,418,457</u>
Investments:			
US Treasury Bill matures 2/19/26	192,519		
US Treasury Bill matures 5/14/26	240,691		
US Treasury Bill matures 7/8/25	249,075		
US Treasury Bill matures 7/26/25	119,606		
US Treasury Bill matures 9/4/25	443,296		
US Treasury Bill matures 9/25/25	118,782		
US Treasury Bill matures 10/2/25	144,234		
US Treasury Bill matures 12/4/25	244,822		
US Treasury Bill matures 12/26/25	117,555		
Mutual Funds	1,510,371		
Total Investments	<u>3,380,951</u>	<u>-</u>	<u>-</u>
Total Cash, Cash Equivalents, and Investments	<u><u>3,440,675</u></u>	<u><u>1,358,733</u></u>	<u><u>1,418,457</u></u>

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4. DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds are amounts due for Sales Tax revenue, capital outlay revenue and due from HOLA!@ MSA, a charter school under the same charter holder, for expenses paid on their behalf awaiting reimbursement. These receivables are considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ 5,974,631	\$ 353,416	\$ -	\$ 6,328,047
Construction in Progress	-	2,420,936	-	2,420,936
Buildings & Improvements	23,232,700	430,744	-	23,663,444
Furniture, Fixtures and Equipment	7,342,525	345,909	-	7,688,434
Motor Vehicles	1,955,475	198,590	-	2,154,065
Total Capital Assets	<u>38,505,331</u>	<u>3,749,595</u>	<u>-</u>	<u>42,254,926</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	(9,126,012)	(1,107,626)	-	(10,233,638)
Furniture, Fixtures and Equipment	(5,156,332)	(525,527)	-	(5,681,859)
Motor Vehicles	(726,392)	(15,532)	-	(741,924)
Total Accumulated Depreciation	<u>(15,008,736)</u>	<u>(1,648,685)</u>	<u>-</u>	<u>(16,657,421)</u>
Governmental Activities Capital Assets, net	<u>\$23,496,595</u>	<u>\$ 2,100,910</u>	<u>\$ -</u>	<u>\$25,597,505</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

6. BONDS PAYABLE

Bonds payable at June 30, 2025, are as follows:

Bond Type	Amount Outstanding	Interest Rates	Annual Maturity To
Series 2021-A	\$ 17,099,691	4.250% - 5.625%	2062
Series 2021-B	19,600	4.750%	2025
less: Unamortized Bond Discount	(136,077)		
	<u>\$ 16,983,214</u>		

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Revenue Bonds Series 2021A and 2021B – On June 1, 2022, the School issued tax-exempt revenue bonds through the City of Palmetto, Florida, (Series 2021A) for \$30,870,000 and taxable revenue bonds (Series 2021B) for \$100,000 secured by a mortgage on the property and buildings. The bonds were issued to refinance existing debt of approximately \$16,000,000 for previous acquisition of educational facilities and motor vehicles and approximately \$13,423,000 to fund the construction of an elementary school. The portion of the bonds for the new construction is not reported in the School's financial statements.

Series 2021A bonds are term bonds paying interest semi-annually at a rates ranging from 4.25% to 5.625% 5% with maturities starting June 1, 2023, and ending June 1, 2062. Series 2021B bonds are term bonds paying interest semi-annually at a rate of 4.75% with maturities starting June 1, 2023, and ending June 1, 2025.

As required by the bond resolution, the School has established a reserve account and has accumulated and maintained adequate resources in the account. The Charter-holder is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement.

In the event of default for non-payment of principal or interest on the bonds, the outstanding amounts will become due and payable.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 1,070,833	\$ 155,925	\$ 914,908
2027	1,069,876	161,595	908,281
2028	1,068,678	167,265	901,413
2029	1,068,820	175,770	893,050
2030	1,071,371	187,110	884,261
2031-35	5,351,215	1,080,135	4,271,080
2036-40	5,349,035	1,383,480	3,965,555
2041-45	5,351,708	1,780,380	3,571,328
2046-50	5,347,537	2,293,515	3,054,022
2051-55	5,345,765	2,962,575	2,383,190
2056-60	5,348,437	3,855,600	1,492,837
2061-62	3,194,852	2,915,941	278,911
<i>Unamortized Bond Discount</i>	(136,077)	(136,077)	-
Total	<u>\$ 40,502,050</u>	<u>\$ 16,983,214</u>	<u>\$23,518,836</u>

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7. NOTES PAYABLE

As of June 30, 2025, the School's long-term debt consisted of the following notes payable:

	Balance at 6-30-25
<u>Truist Equipment Finance Corp. - Equipment Loan</u>	
In April 1, 2024, the School entered into a promissory note to fund the purchase of computer equipment and furniture, fixtures and equipment for \$343,294. The loan term is 48 months at an annual interest rate of 6.71 percent. Monthly payments are \$8,174 until maturity on April 1, 2028. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable and the interest rate will increase by 4% and interest will accrue until paid.	\$ 252,469
<u>BankUnited Loan - Solar Project</u>	
The School approved the issuance of a loan with BankUnited for the purchase and installation of solar electrical system. Funds drawn on this loan totaled \$3,497,708 at June 30, 2025. Payments are interest only at a rate of 4.8% until completion of the system.	3,497,708
<u>Truist Bank Bus Loan</u>	
In February 2025, the School entered into a promissory note to fund the purchase of buses for \$309,946. The loan term is 48 months at an annual interest rate of 5.95%. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable.	291,938
Total Notes Payable	<u>\$ 4,042,115</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2025, are as follows:

Fiscal Year Ending June 30:	Total	Principal	Interest
2026	\$ 337,804	\$ 139,664	\$ 198,140
2027	3,835,514	3,646,584	188,930
2028	153,565	142,301	11,264
2029	71,823	66,866	4,957
2030	47,750	46,700	1,050
Total	<u>\$4,446,456</u>	<u>\$4,042,115</u>	<u>\$ 404,341</u>

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8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Bonds Payable	\$ 17,268,711	\$ -	\$ (149,420)	\$ 17,119,291	\$ 155,925
Unamortized Bond Discount	(139,857)	-	(3,780)	(136,077)	-
Total Bonds Payable	17,128,854	-	(153,200)	16,983,214	155,925
Notes Payable	330,749	3,807,654	(96,288)	4,042,115	139,664
Total Governmental Activities	\$ 17,459,603	\$ 3,807,654	\$ (249,488)	\$ 21,025,329	\$ 295,589

9. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 14,727,584
Categorical Programs:	
Class Size Reduction	1,836,073
Charter School Capital Outlay	1,256,420
Miscellaneous	133,978
Total State Revenue	\$ 17,954,055

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$96,622.

10. INTERFUND TRANSFERS

During the fiscal year, the General Fund transferred \$47,432 and the Capital Projects Fund transferred \$1,268,090 to the Debt Service Fund to assist with debt service payments. These amounts are netted together and not reported in the statement of activities.

11. INTER-COMPANY TRANSFERS

The School paid expenses on behalf of ¡HOLA!Elementary@MSA, a charter school under the same charter holder in the previous year. The School has approved the forgiveness of \$870,794 of amounts due from ¡HOLA!Elementary@MSA in the current fiscal year and has reported this transaction as a Special Item – Intercompany Transfer Out on the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.

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12. CONSTRUCTION CONTRACT COMMITMENTS

The following is a schedule of major construction contract commitments as of June 30, 2024:

Project	Contract Amount	Completed to Date	Balance Committed
Solar Power System Project - Tampa Bay Solar	\$ 4,030,560	\$ 2,420,936	\$ 1,609,624
Total	<u>\$ 4,030,560</u>	<u>\$ 2,420,936</u>	<u>\$ 1,609,624</u>

13. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2025, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

14. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

15. RETIREMENT PLAN

The School has an employee savings plan under Section 401(k) of the Internal Revenue code. This plan allows eligible employees to defer a portion of their income on a pretax basis through plan contributions. Employer contributions to the plan are determined annually by the board of Directors. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The School contribution to the plan for the year ended June 30, 2025, was \$352,942.

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

16. RISK MANAGEMENT PROGRAMS

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 have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

17. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local	\$ -	\$ 904,915	\$ 904,915	\$ -	\$ 936,000	\$ 1,136,978	\$ 1,136,978	\$ -
State	15,280,675	16,697,635	16,697,635	-	-	-	-	-
Local and Other	3,306,773	4,614,039	4,614,039	-	595,395	561,534	561,534	-
Total Revenues	18,587,448	22,216,589	22,216,589	-	1,531,395	1,698,512	1,698,512	-
Expenditures:								
Current - Education:								
Instruction	9,808,851	10,921,381	10,921,381	-	607,982	66,396	66,396	-
Student Support Services	558,366	588,820	588,820	-	-	-	-	-
Instructional Media	128,241	81,839	81,839	-	-	-	-	-
Instructional Staff Training	15,500	16,118	16,118	-	-	-	-	-
Instructional Related Technology	134,471	110,932	110,932	-	-	-	-	-
Board	22,000	28,600	28,600	-	-	-	-	-
School Administration	2,652,500	2,882,452	2,882,452	-	-	-	-	-
Fiscal Services	213,427	156,402	156,402	-	-	-	-	-
Food Services	-	-	-	-	571,518	1,048,456	1,048,456	-
Student Transportation	1,647,906	1,560,294	1,560,294	-	-	-	-	-
Operation of Plant	2,072,891	2,120,484	2,120,484	-	-	80,537	80,537	-
Maintenance of Plant	169,500	420,441	420,441	-	-	-	-	-
Community Service	-	8,269	8,269	-	351,895	477,791	477,791	-
Fixed Capital Outlay:								
Facilities Acquisition & Construction	-	53,596	53,596	-	-	-	-	-
Other Capital Outlay	-	198,590	198,590	-	-	17,655	17,655	-
Total Expenditures	17,423,653	20,019,012	20,019,012	-	1,531,395	1,690,835	1,690,835	-
Excess (Deficiency) of Revenues								
Over Expenditures	1,163,795	2,197,577	2,197,577	-	-	7,677	7,677	-
Other Financing Sources (Uses):								
Proceeds from Debt	-	309,946	309,946	-	-	-	-	-
Transfers In/(Out)	-	(47,432)	(47,432)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(608,280)	(608,280)	-	-	-	-	-
Net Change in Fund Balances	1,163,795	1,589,297	1,589,297	-	-	7,677	7,677	-
Fund Balances, July 1, 2024	6,118,877	6,118,877	6,118,877	-	240,668	240,668	240,668	-
Fund Balances, June 30, 2025	\$ 7,282,672	\$ 7,708,174	\$ 7,708,174	\$ -	\$ 240,668	\$ 248,345	\$ 248,345	\$ -

See Independent Auditor's Report

MANATEE SCHOOL FOR THE ARTS
(A CHARTER SCHOOL UNDER RENAISSANCE ARTS AND EDUCATION, INC.)
A Charter School and Component Unit of the District School Board of Manatee County,
Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on 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). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

**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**

Independent Auditor's Report

To the Board of Directors Manatee School for the Arts,
(A Charter School Under Renaissance Arts and Education, Inc.)
a Charter School and Component Unit of the
District School Board of Manatee County, 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 Manatee School for the Arts ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the year ended June 30, 2025, 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 8, 2025.

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 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.

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2025
Tampa, Florida



Members:
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American Institute of CPAs
Government Audit Quality Center

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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors Manatee School for the Arts,
(A Charter School Under Renaissance Arts and Education, Inc.)
a Charter School and Component Unit of the
District School Board of Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Manatee School for the Arts ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 8, 2025.

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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 8, 2025, 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 audit 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 are Manatee School for the Arts, 412104.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet 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 review of 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

King & Walker, CPAs

September 8, 2025
Tampa, Florida