



August 29, 2024

To the Board of Directors of,
Madison Creative Arts Academy, Inc.:

We have audited the financial statements of Madison Creative Arts Academy, Inc. as of and for the year ended June 30, 2024, and have issued our report thereon dated August 29, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 20, 2024 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Madison Creative Arts Academy, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses, and material noncompliance, and other matters noted during our audit in a separate letter to you dated August 29, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the Madison Creative Arts Academy, Inc.'s financial statements including, but not limited to, an assessment of management's skill, knowledge, and experience.

Significant Risks Identified

We have identified the following significant risks as part of the planned scope of the audit, as required by Statement on Auditing Standards 134:

- Override of internal controls by management. Our responses to the significant risk included incorporating an element of unpredictability in designing audit procedures, obtaining an understanding of the process and related controls over journal entries and other adjustments, testing journal entries and other adjustments, reviewing significant accounting estimates for evidence of management bias, and obtaining an understanding of management's rationale for significant and unusual transactions.
- Management improperly recognizing revenue due to fraud. Our responses to the significant risk included substantively testing of revenues through third-party confirmations and performing predictive tests over revenue.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the School is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no significant accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to the disclosure of concentrations in revenue sources in Note 3 to the financial statements as it describes the reliance on the Madison County District School Board for FTE funding.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Madison Creative Arts Academy, Inc.'s financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter, dated August 29, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

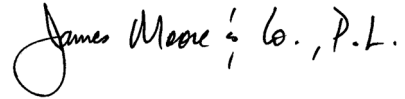
In the normal course of our professional association with Madison Creative Arts Academy, Inc., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Madison Creative Arts Academy, Inc.'s auditors.

We recommend the School review the process and policy for the review and approval over journal entries. We recommend the School amend its policy to include physical sign offs for the review and approval over journal entries.

Madison Creative Arts Academy, Inc.
August 29, 2024
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This report is intended solely for the information and use of the board of directors and management of Madison Creative Arts Academy, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "James Moore & Co., P.L.". The signature is written in black ink and is positioned to the right of the typed name below it.

JAMES MOORE & CO., P.L.



August 29, 2024

James Moore & Co, P.L.
2477 Tim Gamble Place
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Madison Creative Arts Academy, Inc. (the School), as of June 30, 2024 and for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the School in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 29, 2024.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 20, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

622 NE Rocky Ford Road, Madison, Florida 32340

Madison Creative Arts Academy, Inc. is a tuition-free public charter school and will not discriminate illegally on the basis of sex, race, religion, national origin, disability, or age as to employment or educational programs and activities.

- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have a process to track the status of audit findings and recommendations.
- 7) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 8) We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- 9) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 10) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 11) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 12) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 13) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 14) All funds and activities are properly classified.
- 15) All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 16) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- 17) Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- 18) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

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- 19) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 20) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 21) Special items and extraordinary items have been properly classified and reported.
- 22) Deposit and investment risks have been properly and fully disclosed.
- 23) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 24) All required supplementary information is measured and presented within the prescribed guidelines.
- 25) With respect to the nonattest services performed by you (preparation of the financial statements, depreciation schedules, and preparation of Form 990), we have performed the following:
 - a) Made all management decisions and performed all management functions;
 - b) Assigned a competent individual (Janna Barrs, Principal) to oversee the services;
 - c) Evaluated the adequacy of the services performed;
 - d) Evaluated and accepted responsibility for the result of the service performed; and
 - e) Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- 26) We have provided you with:
 - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 27) The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- 28) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 29) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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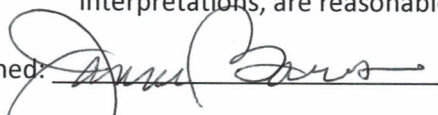
- 30) We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- 31) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management;
 - b) Employees who have significant roles in internal control; or
 - c) Others where the fraud could have a material effect on the financial statements.
- 32) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 33) We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 34) We have disclosed to you the identity of the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- 35) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 36) Madison Creative Arts Academy, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 37) We have disclosed to you all guarantees, whether written or oral, under which Madison Creative Arts Academy, Inc. is contingently liable.
- 38) We have disclosed to you all non-exchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- 39) For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- 40) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

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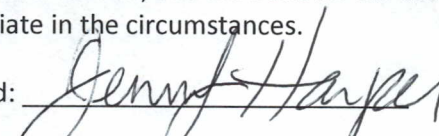
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- 41) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 42) There are no:
- a) Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b) Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - d) Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 43) Madison Creative Arts Academy, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 44) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 45) With respect to the required supplementary information accompanying the financial statements:
- a) We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP. Professional
 - b) We believe the required supplementary information, including its form and content, is measure and fairly presented in accordance with U.S. GAAP.
 - c) The methods of measurement or presentation have not changed from those used in the prior period.
 - d) We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Signed:


Title: Principal

Signed:


Title: Controller

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