ACADEMY FOR INNOVATIVE EDUCATION
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORTS THEREON

JUNE 30, 2026

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Report of Independent Auditors on Basic Financial Statements and Required Supplementary Information

To the Board of Directors of
Academy for Innovative Education
Miami Springs, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Academy for Innovative Education (the "School"), a charter school sponsored by the School Board of Miami-Dade County, Florida and operated by Miami Dade Foundation for Educational Innovation, Inc., as of and for the year ended June 30, 2026, 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 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 Academy for Innovative Education, as of June 30, 2026, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 32–33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2026, on our consideration of Academy for Innovative Education'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 Academy for Innovative Education'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 Academy for Innovative Education's internal control over financial reporting and compliance.

Sotolongo & Associates, P.A.

Miami, Florida
September 10, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Academy for Innovative Education (the "School") presents Management's Discussion and Analysis, which is intended to provide an overview of the School's financial position and changes in financial position for the fiscal year ended June 30, 2026.

Since the focus of the Management's Discussion and Analysis (MD&A) is on the current year activities, resulting changes and currently known facts, it should be read in conjunction with the School's financial statements, including the accompanying notes.

FINANCIAL HIGHLIGHTS

The following are among the major financial highlights:

- At June 30, 2026, the School had a net position of approximately $8,574,000.
- At June 30, 2026, the School had current assets of approximately $4,815,000.
- For the year ended June 30, 2026, the School's revenues exceeded expenses by approximately $263,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements and the notes thereto, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
    - — The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This document also includes the independent auditors' report on compliance and internal control required by *Government Auditing Standards,* as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities, The Florida Virtual School, and Virtual Instruction Program Providers.*

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire school not including fiduciary	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of net position and statement of activities	Balance sheet and statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position is an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base.

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no major business-type activities.

- *Component units* – there currently are no component units included within the reporting entity of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School uses or may use the following types of funds:

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

- *Special Revenue Funds* – account for specific revenue, such as federal grants and student activity revenue, that is legally restricted to expenditures for particular purposes.

- *Capital Projects Fund* – accounts for the financial resources accumulated that are restricted for capital outlays.

- *Debt Service Fund* – accounts for accumulation of resources for, and the payment of, general long-term debt.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The following table provides the School's net position as of June 30, 2026 and 2025:

Governmental Activities	2026	2025	Amount Increase (Decrease)
Current and other assets	$ 4,815,451	$ 4,924,593	$ (109,142)
Capital assets, net	6,378,039	7,009,896	(631,857)
Total assets	11,193,490	11,934,489	(740,999)
Payroll liabilities and other accrued expenses	428,541	389,521	39,020
Noncurrent liabilities - due within one year	150,875	520,300	(369,425)
Noncurrent liabilities - due in more than one year	2,039,630	2,713,281	(673,651)
Total liabilities	2,619,046	3,623,102	(1,004,056)
Net position			
Net investment in capital assets	6,378,039	6,132,529	245,510
Restricted	190,161	153,624	36,537
Unrestricted	2,006,244	2,025,234	(18,990)
Total net position	$ 8,574,444	$ 8,311,387	$ 263,057

Current and other assets of the School, primarily consisting of cash and cash equivalents, decreased primarily because the School used cash to repay its bank debt. Capital assets decreased primarily because depreciation and amortization exceeded capital asset additions. Salaries payable and other accrued expenses increased primarily due to increased payroll costs. Noncurrent liabilities decreased as a result of scheduled principal payments and the repayment of the bank debt. Net investment in capital assets increased primarily due to the reduction in the related outstanding debt.

Change in Net Position

The following table compares the changes in the School's net position from its activities for the fiscal years ended June 30, 2026 and 2025:

	Governmental Activities		Amount Increase
Revenues:	2026	2025	(Decrease)
Federal through state - grants	$ 398,903	$ 667,068	$ (268,165)
State sources	9,161,214	9,135,032	26,182
Capital outlay	202,448	658,743	(456,295)
Contributions and other revenue	920,183	805,083	115,100
Local source and charges for services	3,083,764	4,226,302	(1,142,538)
Total revenues	13,766,512	15,492,228	(1,725,716)
Expenses:			
Instruction	6,742,602	6,303,639	438,963
Student support services	841,275	889,172	(47,897)
Instruction-related technology	54,638	43,769	10,869
Professional development	23,206	5,814	17,392
Board	100,562	69,936	30,626
School and general administration	2,631,446	2,208,370	423,076
Central services	97,630	87,712	9,918
Pupil transportation	36,145	12,590	23,555
Operation of plant	2,370,954	2,239,206	131,748
Community services	509,618	275,313	234,305
Interest expense	95,379	114,773	(19,394)
Total expenses	13,503,455	12,250,294	1,253,161
Change in net position	$ 263,057	$ 3,241,934	- $ (2,978,877)

Revenues decreased primarily because the School recognized nonrecurring local-source revenue during the year ended June 30, 2025, related to a settlement with the School Board of Miami-Dade County. Capital outlay revenue also decreased due to a reduction in the state allocation. Expenditures increased primarily as a result of additional staffing and payroll costs associated with instruction, student support services, school administration, and operation of plant.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

As the School completed the fiscal year, its governmental funds reported a combined fund balance of $4,339,434. Revenues decreased for the same reasons described above for the governmental activities. Expenditures increased for the same reasons described above for governmental activities. However, capital outlay expenditures decreased primarily because the School completed construction of its new building during the year ended June 30, 2025, resulting in fewer leasehold improvements during 2026. The School also incurred additional debt-service expenditures during 2026 in connection with the repayment of its bank debt.

Budgetary Highlights

Budget amendments, if necessary, generally fall into three categories:

- Changes made to account for changes in student enrollment.
- Increases in appropriations to prevent certain budget overruns.
- Increases in grant revenue.

See the budgetary comparison schedule and accompanying notes for explanations of significant budgetary variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2026, the School had $6,378,039 in capital assets, net of accumulated depreciation and amortization. During the year ended June 30, 2026, the School invested $412,089 in capital assets. There were no capital asset disposals in the current year. More detailed information about the School's capital assets is presented in Note 2 to the financial statements.

Noncurrent Liabilities

As of June 30, 2026, the School had $2,190,505 of noncurrent liabilities outstanding. During the year ended June 30, 2026, the School decreased its noncurrent liabilities by making the required principal payments and paying off its bank debt. More detailed information about the School's noncurrent liabilities is presented in Note 3 to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

As a charter school, the School receives most of its funding from FEFP, which consists primarily of state funding. The State of Florida, by constitution, does not have a state personal income tax; therefore, the state operates primarily using sales, gasoline and corporate income taxes.

NEXT YEAR'S BUDGET

For the 2026-2027 school year, based on current enrollment and funding information available when the budget was prepared, the original budget provides for combined governmental funds revenues of $13,945,984. Budgeted combined governmental funds expenditures are expected to be $12,906,953. If the estimates for the budget are realized, the School's combined governmental fund balances are expected to increase for the year ending June 30, 2027.

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF NET POSITION

JUNE 30, 2026

		Governmental Activities
ASSETS		
Cash and cash equivalents		$ 4,706,910
Investments in money market fund		20,587
Prepaid expenses		50,810
Grants and other receivables		37,144
Capital Assets:		
Right-to-use asset - leased modulars	$ 203,860	
Leasehold improvements	2,789,665	
Furniture and equipment	2,873,033	
Other leasehold improvements -new building	5,566,715	
Total capital assets	11,433,273	
Less accumulated depreciation and amortization	(5,055,234)	
Total capital assets, net		6,378,039
Total assets		$ 11,193,490
LIABILITIES		
Payroll liabilities and other accrued expenses		$ 428,541
Noncurrent liability:		
Due within one year:		
Payable to The School Board of Miami-Dade County, Florida		94,952
EIDL Loan		55,923
Due in more than one year:		
Payable to The School Board of Miami-Dade County, Florida		94,952
EIDL Loan		1,944,678
Total liabilities		2,619,046
NET POSITION		
Net investment in capital assets		6,378,039
Restricted		190,161
Unrestricted		2,006,244
Total net position		8,574,444
Total liabilities and net position		$ 11,193,490

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

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2026

Governmental activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net position: Governmental Activities	Net (Expense) Revenue and Changes in Net position: Total
Instruction	$ 6,742,602	$ -	$ 346,796	$ -	$ (6,395,806)	$ (6,395,806)
Student support services	841,275	-	52,107	-	(789,168)	(789,168)
Instruction-related technology	54,638	-	-	-	(54,638)	(54,638)
Professional development	23,206	-	-	-	(23,206)	(23,206)
Board	100,562	-	-	-	(100,562)	(100,562)
School and general administration	2,631,446	-	-	-	(2,631,446)	(2,631,446)
Facilities acquisition and construction	-	-	-	202,448	202,448	202,448
Central services	97,630	-	-	-	(97,630)	(97,630)
Pupil transportation	36,145	-	-	-	(36,145)	(36,145)
Operation of plant	2,370,954	-	-	-	(2,370,954)	(2,370,954)
Community services	509,618	428,927	-	339,795	259,104	259,104
Interest expense	95,379	-	-	-	(95,379)	(95,379)
Total governmental activities	$ 13,503,455	$ 428,927	$ 398,903	$ 542,243	(12,133,382)	(12,133,382)
General revenues:						
State sources					9,161,214	9,161,214
Contributions and other revenue					151,461	151,461
Local source					3,083,764	3,083,764
Total general revenues					12,396,439	12,396,439
Change in net position					263,057	263,057
Net position at beginning of year					8,311,387	8,311,387
Net position at end of year					$ 8,574,444	$ 8,574,444

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

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2026

	General Fund
ASSETS	
Cash and cash equivalents	$ 4,706,910
Investments in money market fund	20,587
Prepaid expenses	50,810
Grants and other receivables	37,144
Total assets	$ 4,815,451
LIABILITIES AND FUND BALANCE	
Payroll liabilities and other accrued expenses	$ 428,541
Payable to The School Board of Miami-Dade County, Florida	47,476
Total liabilities	476,017
Fund balance:	
Nonspendable	50,810
Restricted	190,161
Unassigned	4,098,463
Total fund balance	4,339,434
Total liabilities and fund balance	$ 4,815,451

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

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2026

Total fund balance – governmental fund		$ 4,339,434
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
The cost of capital assets is:	$ 11,433,273	
Related accumulated depreciation and amortization is:	(5,055,234)	
Total capital assets, net		6,378,039
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:		
Payable to The School Board of Miami-Dade County, Florida		(142,428)
EIDL Loan		(2,000,601)
Total net position – governmental activities		$ 8,574,444

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

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Nonmajor Special Revenue Funds and Capital Projects Fund -	Total Governmental Funds
REVENUES			
Federal through state - grants	$ -	$ 398,903	$ 398,903
State sources	9,161,214	-	9,161,214
Capital outlay	-	202,448	202,448
Contributions and other revenue	580,388	339,795	920,183
Local source and charges for services	3,083,764	-	3,083,764
Total revenues	12,825,366	941,146	13,766,512
EXPENDITURES			
Current:			
Instruction	5,560,649	346,796	5,907,445
Student support services	789,168	52,107	841,275
Instruction-related technology	54,638	-	54,638
Professional development	23,206	-	23,206
Board	100,562	-	100,562
School and general administration	2,422,657	-	2,422,657
Central services	97,630	-	97,630
Pupil transportation	36,145	-	36,145
Operation of plant	2,370,954	-	2,370,954
Community services	185,725	323,893	509,618
Debt service			
Interest expense	95,379	-	95,379
Retirement of principal	1,043,076	-	1,043,076
Capital outlay	209,641	202,448	412,089
Total expenditures	12,989,430	925,244	13,914,674
Excess (deficiency) of revenues over (under) expenditures	(164,064)	15,902	(148,162)
Other financing sources			
Transfers in	15,902	-	15,902
Transfers out	-	(15,902)	(15,902)
Total other financing sources	15,902	(15,902)	-
Net changes in fund balances	(148,162)	-	(148,162)
Fund balance at beginning of year	4,487,596	-	4,487,596
Fund balance at end of year	$ 4,339,434	$ -	$ 4,339,434

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

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2026

Net changes in fund balances – total governmental funds		$ (148,162)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of capital acquisitions are allocated over their estimated useful lives and reported as depreciation and amortization expense.		
The amount depreciation and amortization is more than capital outlays, which is calculated as follows:		
Capital outlays	$ 412,089	
Depreciation and amortization	(1,043,946)	
		(631,857)
Repayments of noncurrent liabilities are reported as expenditures in the governmental funds because they require the use of current financial resources. They are reported as a reduction in noncurrent liabilities in the statement of net position. This amount represents the current year repayment of principal on noncurrent liabilities.		1,043,076
Change in net position of governmental activities		$ 263,057

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

NOTE – 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Academy for Innovative Education (the "School") is operated by Miami-Dade Foundation for Educational Innovation, Inc. (MDFEI), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of no less than three and no more than nine members. The accompanying financial statements present the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2026, and the respective changes in financial position for the year then ended.

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 School Board of Miami-Dade County, Florida (the "School Board"). The current charter is effective until June 30, 2030, and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board 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 School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board. The School is sponsored by the School Board and is considered to be a governmental entity under the Governmental Accounting Standards Board's ("GASB") accounting guidance; therefore, for financial reporting purposes, the School follows generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the GASB *Codification of Governmental Accounting and Financial Reporting Standards.* 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.

Basis of presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. These statements report all activities of the School and its component units, and do not include fiduciary funds. Any internal interfund activity has been eliminated from these financial statements. The statement of net position includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include capital grants specific to capital outlay, other grants, and charges to recipients for goods and services associated with programs. Other revenue sources not properly included with program revenues are reported 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.

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.
- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.
- *Component units* – there currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School’s most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund.
- Capital Projects Fund – to account for the financial resources accumulated that are restricted for capital outlays.
- Special Revenue Funds – to account for the proceeds of specific revenue sources restricted by law or administrative action to expenditure for specific purposes. The accompanying statement of revenues, expenditures, and changes in fund balances presents a column that includes special revenue funds. The special revenue funds include the Title I program and certain other federal programs, and revenues and expenditures for student activities.
- Debt Service Fund – to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. For the year ended June 30, 2026, the School did not use a debt service fund.

For purposes of these statements, the general fund is a major fund, and the remaining special revenue funds and capital projects fund are considered nonmajor funds.

Basis of accounting

Basis of accounting refers to when revenues and expenses/expenditures 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 presented using the accrual basis of accounting and an economic resources focus. Revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and balance sheet - governmental funds, and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Deposits and investments

The School maintains its cash accounts in financial institutions subject to insurance coverage issued by the Federal Deposit Insurance Corporation (the "FDIC"). Under FDIC rules, MDFEI is entitled to aggregate coverage of $250,000. As of June 30, 2026, MDFEI had deposits with custodial credit risk exposure in excess of FDIC coverage totaling approximately $4,529,000. None of the School's bank deposits are collateralized. The School has investments in money market fund, which is not considered to be exposed to credit risk. The money market fund was not rated as of June 30, 2026.

The School has not formally adopted a deposit and investment policy limiting its allowable deposits or investments and that addresses risk exposure; however, Management of the School believes the stability and financial strength of the financial institutions used significantly reduces the custodial credit risk.

Interest Rate Risk

The School manages its exposure to declines in fair values by substantially limiting the weighted average maturity on all investments to one year or less and holding investments until maturity. The weighted average maturity for the money market fund is 40 days.

Measurement

The School's money market funds meet the necessary criteria and are reported at amortized cost, since they have maturities of one year or less. Accordingly, such investments are not measured at fair value. However, due to the investments' short-term maturity, amortized cost generally approximates fair value.

Capital assets, depreciation and amortization

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Capital assets reflected on the statement of net position are reported at cost, or at the acquisition value of the assets if received via a gift, and net of accumulated depreciation and amortization. For purposes of recording capital assets, the School has a capitalization threshold of $1,000. Certain bulk capital asset purchases with individual assets that are less than $1,000 may also be capitalized depending on materiality.

The School considers that capital assets are used primarily by the instructional and school administration function and has derived an allocation percentage of 80% and 20%, respectively, for such functions. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	Years
Leasehold improvements	4 – 11
Furniture, fixtures and equipment	4 – 10

The estimated useful life of leasehold improvements is the lesser of the asset's respective useful life or the remaining term of the lease.

Income taxes

Miami-Dade Foundation for Educational Innovation, Inc. (“MDFEI”) is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. MDFEI has adopted guidance related to accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. MDFEI assesses its income tax positions, including its continuing tax status as a not-for-profit entity, and recognizes tax benefits only to the extent that MDFEI believes it is “more likely than not” that its tax positions will be sustained upon an examination by the Internal Revenue Service (“IRS”) or the applicable state taxing authority. Accordingly, there is no provision for federal income taxes in the School’s financial statements, as MDFEI believes all tax positions, including its continuing status as a not-for-profit entity, have a greater than 50% chance of realization in the event of an IRS audit. State income taxes, which may be due in certain jurisdictions, have been assessed following the same “more likely than not” measurement threshold.

Revenue sources

Revenues for current operations are received primarily from the School Board of Miami-Dade County, Florida pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the Florida Department of Education ("FDOE") by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the 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 reported by the School during the designated full-time equivalent student survey periods. The School Board receives an administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. This administrative fee is calculated on the FEFP revenue up to 250 students. The administrative fee charged by the School Board during the year ended June 30, 2026, was approximately $41,000.

Revenues received from the School Board of Miami-Dade County, Florida are recognized when considered earned, which is generally in the month the moneys are received.

The School may receive federal 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 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.

Net Position and Fund Balance Classifications

Government-wide financial statements

Net position is classified and displayed in three components:

1. Net investment in capital assets – consists of capital assets net of accumulated depreciation and amortization and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.

2. Restricted net position – consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. At June 30, 2026, the School had net position of $93,776 restricted for improvement of high-quality teachers and instructional personnel, and to increase school safety and security personnel. In addition, the School had $96,385 restricted for student activities. The restricted net position is expected to be expended during the year ending June 30, 2027.

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

Fund Financial Statements

Generally accepted accounting principles define the different types of fund balances that a governmental entity must use for financial reporting purposes. Fund balance amounts are to be properly reported within one of the fund balance categories listed below:

1. Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans, and notes receivable, and property held for sale (unless the proceeds are restricted committed or assigned). All nonspendable fund balances at year end relate to assets not in spendable form.

2. Restricted – fund balance associated with amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2026, the School’s restricted fund balance had the same restrictions as those of restricted net position.

3. Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors or other contractual obligations. At June 30, 2026, the School did not have a committed fund balance.

4. Assigned – fund balance classification includes amounts intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2026, the School did not have assigned fund balances.

5. Unassigned – fund balance classification is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Fund balance spending policy

The School's adopted spending policy is to spend from restricted fund balance first, followed by committed, assigned, and then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. There are no minimum fund balance requirements for any of the School's funds.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The School has no items that meet this criterion. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The School has no items that meet this criterion.

Interfund Activity

From time to time, the School may have interfund activity. This activity is eliminated in the government wide financial statements.

Recent accounting pronouncements

During the year ended June 30, 2026, the School implemented Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes revised financial reporting requirements related to management's discussion and analysis, unusual or infrequent items, and budgetary comparison information. Implementation resulted in certain changes to management's discussion and analysis and to the presentation of budgetary comparison information as required supplementary information, including the presentation and explanation of budgetary variances. Implementation of the Statement did not affect the School's beginning net position or fund balance.

During the year ended June 30, 2026, the School implemented Governmental Accounting Standards Board Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement establishes additional disclosure requirements for certain types of capital assets, including lease assets, subscription assets, public-private and public-public partnership assets, and capital assets held for sale. Implementation of the Statement did not have a material effect on the School's financial statements.

NOTE – 2 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Right-to-use asset - leased modulars	$ 203,860	$ -	$ -	$ 203,860
Leasehold improvements	2,587,887	201,778	-	2,789,665
Furniture and equipment	2,662,722	210,311	-	2,873,033
Other leasehold improvements -new building	5,566,715	-	-	5,566,715
Total capital assets	11,021,184	412,089	-	11,433,273
Less accumulated amortization for Right-to use asset - leased modulars	(203,860)	-	-	(203,860)
Less accumulated depreciation and amortization for other capital assets				
Leasehold improvements	(1,262,430)	(182,602)	-	(1,445,032)
Furniture and equipment	(2,013,444)	(304,673)	-	(2,318,117)
Other leasehold improvements -new building	(531,554)	(556,671)		(1,088,225)
Total accumulated depreciation and amortization	(4,011,288)	(1,043,946)	-	(5,055,234)
Governmental activities capital assets, net	$ 7,009,896	$ (631,857)	$ -	$ 6,378,039

Certain beginning of year account balances for accumulated depreciation were reclassified to conform to the current year presentation. Such reclassifications did not have any effect on previously reported net capital assets.

Depreciation and amortization expense were charged to functions as follows:

Governmental activities:	
Instruction	$ 835,157
School administration	208,789
Total depreciation and amortization	$ 1,043,946

NOTE – 3 NONCURRENT LIABILITIES

Activity pertaining to noncurrent liabilities for the year ended June 30, 2026, consisted of the following:

Due to Miami-Dade County School Board
In June 2021, the School Board agreed to allow for MDFEI to postpone the payment of the School Board's management fee for the year ended June 30, 2021. The amount due was to be paid in five annual installments of $69,190, beginning in June 2022 through June 2026. The School paid off the liability in June 2026. In April 2025, the School Board agreed for MDFEI to postpone the payment of the year ended June 30, 2024, management fee. The amount due is to be paid in five equal installments of $47,476.

EIDL Loan
In November 2021, MDFEI obtained an Economic Injury Disaster Loan (EIDL) from the United States Small Business Administration (SBA) for $2,000,000. The proceeds are to be used for working capital purposes pursuant to the EIDL loan agreement. Interest on the EIDL Loan accrues at the rate of 2.75% per annum, and installment payments, including principal and interest, are due monthly beginning thirty months from the date of the EIDL Loan. The balance of principal and interest is payable thirty years from the date of the promissory note. In connection with the EIDL loan, MDFEI provided a blanket security on substantially all of its assets.

Bank Loan
In March 2023, the School obtained a bank loan for $1,500,000. Interest on the loan was charged at an annual rate of 5.51%. The loan was collateralized by substantially all of the assets owned by MDFEI. Monthly payments for principal and interest of $28,719 were due beginning in April 2023 and ending in March 2028, when the loan would have matured. The School paid off the entire principal amount due for the loan in May 2026.

The following summarizes the activity for the noncurrent liabilities, during the year ended June 30, 2026:

	Due to Miami-Dade County School Board	EIDL Loan	Bank Loan	Total
Balance outstanding at beginning of year	$ 306,570	$ 2,049,644	$ 877,367	$ 3,233,581
Additions	-	-	-	-
Reductions	(116,666)	(49,043)	(877,367)	(1,043,076)
Balance outstanding at end of year	$ 189,904	$ 2,000,601	$ -	$ 2,190,505
Amount due within one year	$ 94,952	$ 55,923	$ -	$ 150,875

The following table summarizes the School's future debt service as of June 30, 2026:

Year ending June 30,	Principal	Interest
2027	$ 150,875	$ 54,315
2028	104,956	52,758
2029	106,557	51,157
2030	60,726	49,512
2031	62,418	47,820
2032-2036	339,150	212,039
2037-2041	389,080	162,109
2042-2046	446,361	104,829
2047-2051	512,074	39,115
2052	18,308	65
	$ 2,190,505	$ 773,719

NOTE – 4 STATE AND PROGRAM REVENUES

The following is a schedule of state revenue sources for the year ended June 30, 2026:

Florida Education Finance Program	$ 7,871,060
Class Size Reduction	1,032,215
SAFE Schools	124,624
Florida School Recognition Fund	88,718
Miscellaneous State Revenues	44,597
Total	$ 9,161,214

The following is a schedule of program revenues which offset expenses reported on the statement of activities for the year ended June 30, 2026:

Program Revenues - Federal:	
Title I	$ 361,278
Title III	9,179
Title IV	27,946
Other	500
Total	398,903
Program Revenues - State Capital Outlay	202,448
Total Program Revenues	$ 601,351

These program revenues offset the given functions as they are directly connected with those respective functions. In addition, the School obtained approximately $429,000 for child care and other fees, which also offset their respective functions. The School also received approximately $340,000 of other contributions, which offset community services expenses.

NOTE – 5 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property insurance coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settlement amounts have historically not exceeded insurance coverage. In addition, for the year ended June 30, 2026, there were no reductions in insurance coverage from those of the prior year.

NOTE – 6 COMMITMENTS AND CONTINGENT LIABILITIES

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

Legal matters

In the normal course of conducting its operations, the School may become party to legal actions and proceedings. In the opinion of Management, the ultimate resolution of such legal matters, if any, will not have a significant adverse effect on the accompanying financial statements.

Lease commitments

MDFEI leases the School's facilities, inclusive of all classrooms, parking and ancillary spaces, located in Miami Springs, Florida from the School Board. The lease has been amended to extend the term through June 30, 2034. MDFEI's obligation under the lease is the proportionate share of the facility's operating expenses, which includes routine building and grounds maintenance, custodial and janitorial services, trash pick-up, utilities and certain property insurance. Pursuant to the lease agreement, the amount of the operating expense is adjusted to the preceding year's reported actual cost per square foot for these services. For the year ended June 30, 2026, MDFEI's lease payment obligation was based on the base operating expenses for a recent period as calculated from time to time by the School Board.

The School's total expense related to MDFEI's lease with the School Board during the year ended June 30, 2026, was approximately $258,000, and is included in the accompanying financial statements under the caption operation of plant.

The following is a schedule of estimated future lease payments for MDFEI as of June 30, 2026, based on the current estimated costs of operating expenses:

Year ending June 30,		
2027	$	257,532
2028		257,532
2029		257,532
2030		257,532
2031		257,532
2032-2034		772,596
Total	$	2,060,256

The above amounts reflected for the lease with the School Board are based on current calculated operating cost amounts based on square footage currently being occupied by MDFEI. Because the above-mentioned lease payments are considered to be variable, since they are determined using prior base operating expenses for a calculated period, a right-to-use asset and corresponding lease liability is not required to be recorded pursuant to GASBS 87.

The School has leases for modular classroom equipment, the original terms of which have ended. The leases currently continue on a month-to-month basis. For the year ended June 30, 2026, total payments for modular classroom equipment leases and all other short-term leases, which are not included in the measurement of a lease liability, were approximately $283,000 and are included in the accompanying financial statements under the caption operation of plant.

NOTE – 7 MANAGEMENT AGREEMENT

The School has a management agreement (“Agreement”) with the School Board to provide management and administration services to the School. The management fee under the Agreement is derived based on the number of students attending during the school year. For the year ended June 30, 2026, management fees totaled approximately $248,000 and are included in the accompanying financial statements under the caption of school and general administration expense/expenditure.

NOTE – 8 DEFINED CONTRIBUTION PLAN

The School's employees are eligible to participate in a 401(k) Profit Sharing Plan ("the Plan"), which was made available by the School's payroll provider. The Plan is considered a Defined Contribution Plan and is available to employees that meet certain eligibility criteria. The name of the Plan is Miami-Dade Foundation 401(k) Profit Sharing Plan & Trust. For the year ended June 30, 2026, the School contributed approximately $13,700 to the Plan.

NOTE – 9 PAYROLL LIABILITIES AND OTHER ACCRUED EXPENSES

As of June 30, 2026, payroll liabilities and other accrued expenses consist of the following:

Payroll liabilities	$ 375,349
Other accrued expenses	53,192
	$ 428,541

NOTE – 10 INTERFUND TRANSFERS

During the year ended June 30, 2026, the School transferred funds from the special revenue funds to the general fund. This is done in order to close out the special revenue funds at end of year.

ACADEMY FOR INNOVATIVE EDUCATION
A CHARTER SCHOOL SPONSORED BY
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Original	Budgeted Final	Variance with Original Budget	Total Governmental Funds Budgetary Basis Actual	Variance with Final Budget
REVENUES					
Federal through state - grants	$ 468,148	$ 468,148	$ -	$ 398,903	$ (69,245)
State sources	9,418,263	9,685,005	266,742	9,161,214	(523,791)
Capital outlay	658,855	658,855	-	202,448	(456,407)
Contributions and other revenue	3,615,009	3,615,009	-	4,003,947	388,938
Total revenues	14,160,275	14,427,017	266,742	13,766,512	(660,505)
EXPENDITURES					
Current:					
Instruction	6,711,916	6,741,916	30,000	6,046,899	695,017
Student support services	802,390	813,820	11,430	841,275	(27,455)
Instruction-related technology	14,500	14,500	-	54,638	(40,138)
Professional development	32,000	32,000	-	23,206	8,794
Board	123,100	123,100	-	100,562	22,538
General administration	469,311	469,311	-	-	469,311
School and general administration	1,727,290	1,727,290	-	2,450,236	(722,946)
Facilities acquisition and construction	125,000	125,000	-	164,779	(39,779)
Fiscal services	15,500	15,500	-	-	15,500
Central services	60,000	60,000	-	97,630	(37,630)
Pupil transportation	15,000	15,000	-	36,145	(21,145)
Operation of plant	1,792,090	1,792,090	-	2,435,806	(643,716)
Maintenance of plant	-	-	-	15,425	(15,425)
Community services	142,612	142,612	-	509,618	(367,006)
Debt service	461,601	461,601	-	1,138,455	(676,854)
Total expenditures	12,492,310	12,533,740	41,430	13,914,674	(1,380,934)
Excess of revenues over expenditures	1,667,965	1,893,277	225,312	(148,162)	(2,041,439)
Other financing sources					
Proceeds from borrowings				-	-
Transfers in				15,902	15,902
Transfers out				(15,902)	(15,902)
Total other financing sources	-	-	-	-	-
Net changes in fund balance	$ 1,667,965	$ 1,893,277	$ 225,312	$ (148,162)	$ (2,041,439)

See report of independent auditors and notes to budgetary comparison schedule.

NOTES TO BUDGETARY COMPARISON SCHEDULE

The School's budget presented in the accompanying budgetary comparison schedule is annually adopted and prepared using the budgetary basis of accounting. Amendments to the School's budgets can only be made with the approval of the board of directors. The School's legally adopted budget includes all of the governmental funds combined, resulting in the budget having a different budgetary perspective than for a budget prepared specifically for the general fund. Accordingly, and in accordance with GASB Statement No. 41, paragraph 3, the budgetary comparison schedule presented is based on the combined budget that was legally adopted, which includes all funds.

Differences Between GAAP and Budgetary Basis of Accounting

The accompanying budgetary comparison schedule – governmental funds is prepared on a budgetary basis of accounting instead of generally accepted accounting principles (GAAP), as presentation using GAAP operating data would result in less meaningful comparisons. The major differences between GAAP and budgetary basis of accounting are that under budgetary basis, capital outlay is not considered a separate function and is included within the current expenditure functions.

The following is a reconciliation of the above presented actual budgetary information to GAAP as shown in the accompanying statement of revenues, expenditures and changes in fund balances:

	Budgetary Basis	GAAP Basis	Difference
Instruction	$ 6,046,899	$ 5,907,445	$ 139,454
School and general administration	2,450,236	2,422,657	27,579
Facilities acquisition and construction	164,779	-	164,779
Operation of plant	2,435,806	2,370,954	64,852
Maintenance of plant	15,425	-	15,425
Capital outlay	-	412,089	(412,089)
	$ 11,113,145	$ 11,113,145	$ -

Special Revenue Funds

For the year ended June 30, 2026, none of the special revenue funds met the GASB criteria to be classified as major funds or were considered major funds. Accordingly, a separate budgetary comparison schedule for special revenue funds is not required.

Significant Variances in Budgetary Comparison Schedule

Original vs. Final Budget

1. State sources increased due to expected increases in enrollment and FEFP funding.
2. Instruction and student support services increased due to additional allocation for teacher costs.

Final Budget vs. Actual

1. State sources and capital outlay were lower than expected due to a lower state allocation.
2. Contributions and other revenue were higher because the budget did not include certain student activities revenue at the time it was prepared.
3. Instruction expenditures were lower than anticipated at the time the final budget was prepared.
4. School administration expenditures for other support personnel and other purchased services were higher than anticipated when the budget was prepared.
5. Operation of plant expenditures were higher than expected, primarily due to unanticipated repairs and maintenance.
6. Community services expenditures were higher because the budget did not include certain student activities expenditures.
7. Debt service expenditures were higher due to paying off the bank debt.

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Academy for Innovative Education
Miami Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Academy for Innovative Education (the "School"), a charter school sponsored by the School Board of Miami-Dade County, Florida and operated by Miami Dade Foundation for Educational Innovation, Inc., as of and for the year ended June 30, 2026, 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 10, 2026.

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 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 of 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.



Miami, Florida
September 10, 2026

ADDITIONAL INFORMATION REQUIRED BY
RULES OF THE FLORIDA AUDITOR GENERAL,
CHAPTER 10.850, *AUDITS OF CHARTER SCHOOLS AND CHARTER TECHNICAL CAREER CENTERS, THE FLORIDA VIRTUAL SCHOOL, AND VIRTUAL INSTRUCTION PROGRAM PROVIDERS*

To the Board of Directors of
Academy for Innovative Education
Miami Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Academy for Innovative Education, a charter school sponsored by the School Board of Miami-Dade County, Florida and operated by Miami-Dade Foundation for Educational Innovation, Inc., as of and for the year ended June 30, 2026, and have issued our report thereon dated September 10, 2026.

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 that report, which is dated, September 10, 2026, 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 findings or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the School is Academy for Innovative Education. The name of the not-for-profit entity that operates the School is Miami-Dade Foundation for Educational Innovation, Inc. The school code assigned to the school is 6093.

Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11) Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the Academy for Innovative Education 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 Academy for Innovative Education 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 Academy for Innovative Education. It is management's responsibility to monitor the Academy for Innovative Education's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. We performed the financial condition assessment procedures for the year ended June 30, 2026, which included calculation and analysis of certain financial indicators we considered relevant to the School. No deteriorating financial condition was noted as a result of this assessment.

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 Academy for Innovative Education 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 Academy for Innovative Education maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not 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 the School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.



Miami, Florida
September 10, 2026