

**Arkansas Arts Academy
and Subsidiary**

**Consolidated Financial Statements
June 30, 2024**

(With Independent Auditor's Report Thereon)

Arkansas Arts Academy and Subsidiary

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS – REGULATORY BASIS	
Consolidated Balance Sheet – Regulatory Basis	6
Consolidated Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – Regulatory Basis	7
Consolidated Statement of Revenues, Expenditures and Changes in Fund Balance –Budget to Actual – General Fund – Regulatory Basis	8
Consolidated Statement of Revenues, Expenditures and Changes in Fund Balance –Budget to Actual – Special Revenue Fund – Regulatory Basis	9
Notes to Consolidated Financial Statements	10
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Capital Assets (Unaudited)	19
OTHER REPORTS AND SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21
Independent Auditor’s Report on Compliance for Each Major Program and Report on Internal Control Over Compliance in Required by the Uniform Guidance	23
Schedule of Expenditures of Federal Awards	26
Notes to Schedule of Expenditures of Federal Awards	27
Schedule of State Assistance	28
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings	31
Supplemental Data Sheet Required by the Department of Health and Human Services	32
Independent Auditor’s Report on Compliance With Arkansas State Requirements	33



INDEPENDENT AUDITOR'S REPORT

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Report on the Audit of the Consolidated Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of each major governmental fund and the fiduciary funds of Arkansas Arts Academy and Subsidiary (the "School") as of and for the year ended June 30, 2024, and the related notes to the consolidated financial statements, which collectively comprise the School's basic consolidated financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the assets, liabilities, and fund balances of each major governmental fund and the aggregate remaining fund information of the School as of June 30, 2024, and their respective revenues, expenditures, and changes in fund balances and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by the State of Arkansas (the State) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the consolidated financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the School as of June 30, 2024, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Unmodified Opinion on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 opinion.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the consolidated financial statements, the consolidated financial statements are prepared by the School on the basis of accounting practices prescribed or permitted by the State to demonstrate compliance with State's regulatory basis of accounting and budget laws, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. The effects on the consolidated financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting practices prescribed or permitted by the State to demonstrate compliance with the State's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated 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.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

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 practices prescribed or permitted by the State which practices differ from accounting principles generally accepted in the United States of America, require that the schedule of capital assets be presented to supplement the consolidated financial statements. Such information is the responsibility of management and, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the consolidated 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 methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the School’s consolidated financial statements. The Schedule of Expenditures of Federal Awards required by the audit requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (“Uniform Guidance”) and the Schedule of State Assistance are presented for purpose of additional analysis and are not required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Rogers, Arkansas
March 11, 2025

**Consolidated Financial Statements -
Regulatory Basis**

Arkansas Arts Academy and Subsidiary

Consolidated Balance Sheet – Regulatory Basis June 30, 2024

	Governmental Funds			
	Major			
	General	Special Revenue	Capital Projects	Fiduciary Funds
ASSETS				
Cash	\$ 325,499	\$ 198,809	\$ 41,734	\$ 123,552
Restricted cash	185,083	-	-	-
Certificate of deposit	2,084	-	-	-
Accounts receivable	-	90,432	57,667	-
Total Assets	\$ 512,666	\$ 289,241	\$ 99,401	\$ 123,552
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to student groups	\$ -	\$ -	\$ -	\$ 123,552
Total Liabilities	-	-	-	123,552
Fund Balances				
Restricted				
State programs	91,226	-	-	-
Federal programs	-	289,241	-	-
Capital projects	185,083	-	99,401	-
Other purposes	201,116	-	-	-
Unassigned	35,241	-	-	-
Total Fund Balances	512,666	289,241	99,401	-
Total Liabilities and Fund Balances	\$ 512,666	\$ 289,241	\$ 99,401	\$ 123,552

See accompanying notes to consolidated financial statements.

Arkansas Arts Academy and Subsidiary

Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds– Regulatory Basis Year ended June 30, 2024

	Governmental Funds		
	Major		Capital Projects
	General	Special Revenue	
REVENUES			
Federal assistance	\$ -	\$ 1,411,837	\$ -
State assistance	9,751,227	2,819	566,320
Local donations and grants	226,919	-	-
Meal sales	-	182,355	-
Interest income	27,033	-	-
Total Revenues	10,005,179	1,597,011	566,320
EXPENDITURES			
Regular programs	4,926,127	3,274	-
Special education	242,429	266,848	-
Workforce education	1,064	-	-
Compensatory education program	1,969	208,700	-
Other instructional program	576,631	-	-
Student support services	405,939	206,052	-
Instructional staff support services	337,064	266,017	-
General administrative support services	254,113	31,598	-
School administrative support services	749,111	-	-
Business support services	588,237	13,141	-
Operation and maintenance of plant services	995,709	-	145,647
Student transportation services	216,506	-	-
Other support services	4,776	293	-
Food service operations	-	545,508	-
Debt service:			
Principal retirement of debt	585,000	-	-
Interest and fiscal charges	986,807	-	-
Total Expenditures	10,871,482	1,541,431	145,647
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(866,303)	55,580	420,673
OTHER FINANCING SOURCES (USES)			
Trustee fees	(7,500)	-	-
Transfers, net	394,825	-	(394,827)
Total Other Financing Sources (Uses)	387,325	-	(394,827)
NET CHANGE IN FUND BALANCES	(478,978)	55,580	25,846
FUND BALANCES - BEGINNING OF YEAR	991,644	233,661	73,555
FUND BALANCES - END OF YEAR	\$ 512,666	\$ 289,241	\$ 99,401

See accompanying notes to consolidated financial statements.

Arkansas Arts Academy and Subsidiary

Consolidated Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund – Regulatory Basis Year ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State assistance	\$ 9,599,329	\$ 9,751,227	\$ 151,898
Local donations and grants	760,618	226,919	(533,699)
Interest income	-	27,033	27,033
Total Revenues	10,359,947	10,005,179	(354,768)
EXPENDITURES			
Regular programs	5,137,992	4,926,127	211,865
Special education	339,678	242,429	97,249
Workforce education	5,000	1,064	3,936
Compensatory education program	10,000	1,969	8,031
Other instructional program	582,829	576,631	6,198
Student support services	438,311	405,939	32,372
Instructional staff support services	434,864	337,064	97,800
General administrative support services	263,469	254,113	9,356
School administrative support services	747,969	749,111	(1,142)
Business support services	593,907	588,237	5,670
Operation and maintenance of plant services	2,277,048	995,709	1,281,339
Student transportation services	231,225	216,506	14,719
Other support services	6,000	4,776	1,224
Debt service:			
Principal retirement of debt	-	585,000	(585,000)
Interest and fiscal charges	-	986,807	(986,807)
Total Expenditures	11,068,292	10,871,482	196,810
(DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	(708,345)	(866,303)	(157,958)
OTHER FINANCING SOURCES (USES)			
Trustee fees	-	(7,500)	(7,500)
Transfers, net	-	394,825	394,825
Total Other Financing Sources (Uses)	-	387,325	387,325
NET CHANGE IN FUND BALANCE	\$ (708,345)	\$ (478,978)	\$ 229,367

See accompanying notes to consolidated financial statements.

Arkansas Arts Academy and Subsidiary

Consolidated Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Regulatory Basis Year ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal assistance	\$ 1,277,759	\$ 1,411,837	\$ 134,078
State assistance	3,482	2,819	(663)
Meal sales	188,265	182,355	(5,910)
Total Revenues	1,469,506	1,597,011	127,505
EXPENDITURES			
Regular programs	-	3,274	(3,274)
Special education	285,839	266,848	18,991
Compensatory education program	229,933	208,700	21,233
Student support services	72,542	206,052	(133,510)
Instructional staff support services	217,500	266,017	(48,517)
General administrative support services	32,039	31,598	441
Business support services	37,472	13,141	24,331
Other support services	5,383	293	5,090
Food service operations	511,049	545,508	(34,459)
Total Expenditures	1,391,757	1,541,431	(149,674)
NET CHANGE IN FUND BALANCE	\$ 77,749	\$ 55,580	\$ (22,169)

See accompanying notes to consolidated financial statements.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

NOTE 1: NATURE OF ACTIVITIES

Reporting Entity

Arkansas Arts Academy is a nonprofit organization which was granted a charter by the Arkansas State Board of Education to operate a charter school located in Rogers, Arkansas, also known as Arkansas Arts Academy. The school's charter was renewed effective June 30, 2018 for a ten-year term and is scheduled for renewal June 30, 2028. The school provides kindergarten through 12th grade academic programs with integration of the arts.

BCCSO, LLC (subsidiary) was formed May 28, 2010 for the purpose of holding real estate and the related debt. Arkansas Arts Academy is the sole member of BCCSO, LLC.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Arkansas Arts Academy and its subsidiary, BCCSO, LLC, collectively referred to as "the School." All significant inter-organizational accounts and transactions have been eliminated.

Measurement Focus and Basis of Accounting

The consolidated financial statements are prepared in accordance with the regulatory basis of accounting (RBA), which is another comprehensive basis of accounting (OCBOA) other than accounting principles generally accepted in the United States of America. This basis of accounting is prescribed by Arkansas Code Annotated §10-4-413(c), as provided in Act 867 of 2019, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the School; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP requires that basic consolidated financial statements present government-wide financial statements. Additionally, GAAP requires the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

The accompanying consolidated financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major functions. Other transactions, which are not reported as revenues or expenditures are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources.

Description of Fund

Major governmental funds (per the RBA) are defined as General and Special Revenue.

General Fund – The General Fund is the general operating fund and is used to account for all financial resources, except those required to be reported in another fund.

Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the School's food service operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objective of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds consist of the following:

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Fiduciary Funds – The Fiduciary Funds type is used to report balances held by the School on behalf of various student clubs, groups and organizations. These resources are held by the School acting as a custodial agent for others.

Revenue Recognition Policies

Revenues are recorded when they become susceptible to accrual in accordance with the RBA.

Capital Assets

Information on capital assets and related depreciation is reported in the required supplementary information. Capital assets are capitalized at historical cost or estimated historical cost if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The School maintains a threshold level of \$1,000 for capitalizing assets.

Capital Assets are depreciated using the straight-line method over their estimated useful lives, which range from three to forty years. No salvage value is taken into consideration for depreciation purposes.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

Accounts Receivable

Accounts receivable consists of amounts due to the School by the Arkansas Department of Education (ADE) for current year funding. The entire amount is considered collectible; therefore, no allowance for uncollectible amounts is considered necessary.

Inter-fund Receivables and Payables

Inter-fund receivables and payables result from services rendered from one fund to another or from inter-fund loans.

Fund Balance Classifications

Fund balance represents the difference between assets and liabilities and are categorized as follows:

Non-spendable Fund Balance – Includes amounts that are not in a spendable form or are required to be maintained intact. The School does not have any non-spendable fund balance at June 30, 2024.

Restricted Fund Balance – Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The fund balance that is restricted for state programs and federal programs reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements. The fund balance that is restricted for capital projects reflects amounts that are restricted for construction or other capital outlay projects. The fund balance that is restricted for other purposes includes donated funds, the use of which has been restricted by the donor for specific uses.

Committed Fund Balance – Includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority (the Board of Directors). The School does not have any committed fund balance as of June 30, 2024.

Assigned Fund Balance – Includes amounts intended for a specific purpose by the Board of Directors or by a School official that has been delegated authority to assign amounts. The School does not have any assigned fund balances as of June 30, 2024.

Unassigned Fund Balance – Includes any remaining fund balance that has not been reported in any other classification. This classification can also include negative amounts in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The School does not have a formal policy addressing whether it considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. School personnel decide which resources (source of funds) to use at the time expenditures are incurred or which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. For the purposes of fund balance classification, expenditures are considered to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

Budget and Budgetary Accounting

The School is required by state law to prepare an annual budget. The annual budget is required to be approved by the School's Board of Directors and submitted to the ADE no later than September 30 of each year. Budget amendments, if any, are not required to be submitted for approval to ADE. The School's budget is prepared utilizing the same basis of accounting described previously.

Income Taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute. Consequently, no provision for income taxes is reflected in the accompanying consolidated financial statements. Additionally, the School has been classified as an organization that is not a private foundation under Section 509(a).

Stabilization Arrangements

The School's Board of Directors has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

Minimum Fund Balance Policies

The School's Board of Directors has not formally adopted a minimum fund balance policy.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 3: FINANCIAL INSTRUMENTS WITH RISK OF ACCOUNTING LOSS

The School maintains demand deposits at financial institutions. State statutes require that the School's funds be deposited in banks located in the State of Arkansas and that all deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits be collateralized. In the event of an institutional failure, any excess over FDIC insurance may not be recoverable. At June 30, 2024, the bank balances of the School's demand deposits amounted to \$1,098,718, of which \$435,083 was insured and \$663,635 was collateralized by securities held in the School's name. No amounts are uninsured or uncollateralized.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements June 30, 2024

NOTE 4: ACCOUNTS RECEIVABLE

As of June 30, 2024, accounts receivable was comprised of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Fiduciary Funds
Federal assistance	\$ -	\$ 90,432	\$ -	\$ -
State assistance	-	-	57,667	-
	\$ -	\$ 90,432	\$ 57,667	\$ -

NOTE 5: CONCENTRATIONS

The School is economically dependent on funding received through state awards and federal awards. During the year ended June 30, 2024, approximately 96% of total revenues were from state and federal awards.

NOTE 6: BONDS PAYABLE AND LONG-TERM DEBT

Series 2017 Bonds

In July 2017, the Arkansas Development Finance Authority issued \$25,260,000 in Charter School Lease Revenue Bonds, net of an original discount of \$512,262, and secured by a loan agreement with BCCSO, LLC as borrower. The proceeds of these bonds will be used to pay a portion of acquiring, constructing, renovating, improving, and equipping certain education facilities of the School and to refund the Series 2010A BCCSO Project Bonds. These bonds are tax exempt and mature serially through 2047. The interest rates on the bond range from 3% to 4.5%.

As part of the bond issue, BCCSO, LLC entered into a lease agreement with Arkansas Arts Academy, whereby Arkansas Arts Academy will lease the facilities back from BCCSO, LLC at a monthly lease rate equal to the debt service requirement of the bonds. Lease expense and the related lease income have been eliminated in consolidation.

The loan agreement requires minimum debt service payments that are equal to the bond sinking fund requirements to provide for the redemption of the bonds upon maturity.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

The minimum debt service requirements of the bonds for the next five years and thereafter are as follows:

Years ending June 30,	Principal	Interest	Total
2025	\$ 605,000	\$ 973,038	\$ 1,578,038
2026	625,000	953,375	1,578,375
2027	645,000	931,500	1,576,500
2028	675,000	902,475	1,577,475
2029	705,000	872,100	1,577,100
2030-2034	4,005,000	3,873,750	7,878,750
2035-2039	5,005,000	2,871,450	7,876,450
2040-2044	6,170,000	1,707,573	7,877,573
2045-2047	4,355,000	370,650	4,725,650
	\$ 22,790,000	\$ 13,455,911	\$ 36,245,911

Walton Family Foundation Loan

As part of the 2017 Bond issuance, the School entered into a thirty-year interest free construction loan for up to \$5,000,000 with the Walton Family Foundation (WFF) to facilitate the construction of the new facility. Future maturities of this loan are as follows:

Years ending June 30,	
2025	\$ 150,000
2026	175,000
2027	175,000
2028	175,000
2029	175,000
2030-2034	1,000,000
2035-2039	1,000,000
2040-2044	1,000,000
2045-2047	750,000
	\$ 4,600,000

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

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

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Series 17 Bond Payable	\$ 23,375,000	\$ -	\$ 585,000	\$ 22,790,000	\$ 605,000
WFF loan	4,600,000	-	-	4,600,000	150,000
 Total long-term debt	\$ 27,975,000	\$ -	\$ 585,000	\$ 27,390,000	\$ 755,000

NOTE 7: COMMITMENTS

Operating Leases

The School leases buses and an office space under long-term non-cancelable operating lease agreements. The total rental expense for operating leases for the year ended June 30, 2024 was \$48,000. The total future minimum lease payments for operating leases is \$27,500 for the year ended June 30, 2025.

NOTE 8: EMPLOYEE BENEFIT PLANS

Arkansas Teacher Retirement System

Plan Description - The School contributes to the Arkansas Teachers Retirement System (ATRS), a cost-sharing multiple-employer defined benefit plan that covers all Arkansas public school employees, except certain non-teachers hired prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy - ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 7.00% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on an annual actuarial valuation. The current employer rate is 15.00% of covered salaries. The contributions from the School for the year ended June 30, 2023 were \$799,014.

Net Pension Liability - The ADE has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB statement No. 27, would be limited to disclosure of the School’s proportionate share of the collective net pension liability. The School’s proportionate share of the collective net pension liability at June 30, 2023 (actuarial valuation date and measurement date) was \$7,726,542.

Arkansas Arts Academy and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024

Defined Contribution Plan – 403(b)

During the year ended June 30, 2009, the School adopted a 403(b) plan covering all employees of the School. The plan is funded solely by employee contributions, pursuant to a salary reduction agreement. Annual contributions may not exceed the amount permitted under section 415 of the Internal Revenue Code. Employees vest immediately in their contributions.

NOTE 9: ON-BEHALF-PAYMENTS

During the year ended June 30, 2024, health insurance premiums of \$230,045 were paid by the ADE to the Arkansas Employee Benefits Division on-behalf of School employees. This amount is not included in revenues or expenditures in the School's consolidated financial statements.

NOTE 10: CONTINGENCIES

The School was the recipient of federal and state funding. Federal and state funding programs are subject to audit by the federal or state government or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although the School expects such amounts, if any, to be immaterial.

NOTE 11: RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The School has purchased commercial insurance to address these risks. There have been no significant reductions in the Schools insurance coverage during the year ended June 30, 2024. In addition, there have been no settlements in excess of the School's coverage.

In May 2024, a tornado damaged the School. Repairs began subsequent to year end. Insurance proceeds and a private foundation grant are expected to cover all repair costs.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated all subsequent events through March 11, 2025, the date that the financial statements were available to be issued.

Required Supplementary Information

Arkansas Arts Academy and Subsidiary

Schedule of Capital Assets (Unaudited) June 30, 2024

Non-depreciable capital assets		
Land		\$ 360,237
Depreciable capital assets		
Buildings	\$ 30,319,558	
Furniture and equipment	<u>3,019,328</u>	
	33,338,886	
Less accumulated depreciation	<u>8,756,552</u>	
Total depreciable capital assets		<u>24,582,334</u>
Capital assets, net		<u>\$ 24,942,571</u>

See Independent Auditor's Report

**Other Reports and
Supplementary Information**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

We have audited, 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, the consolidated financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Arkansas Arts Academy and Subsidiary (the School) as of and for the year ended June 30, 2024, and the related notes to the consolidated financial statements, which collectively comprise the School's consolidated financial statements as listed in the table of contents, and have issued our report thereon dated March 11, 2025. We issued an adverse opinion because the School prepared the consolidated financial statements using accounting practices prescribed or permitted by the State of Arkansas, which practices differ from accounting principles generally accepted in the United States of America (U.S. GAAP). The effects on the consolidated financial statements between the regulatory basis of accounting and U.S. GAAP, although not readily determinable, are presumed to be material. However, the consolidated financial statements present fairly, in all material respects, the assets, liabilities, and fund balances of the funds as presented of the School as of June 30, 2024, and their respective revenues, expenditures, and changes in fund balances and budgetary comparisons for the year then ended, in accordance with the financial reporting provisions prescribed by the State described in Note 2.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's consolidated 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.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Rogers, Arkansas
March 11, 2025



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Arkansas Arts Academy and Subsidiary (the “School”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School’s major federal programs for the year June 30, 2024. The School’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School’s federal programs.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Rogers, Arkansas
March 11, 2025

Arkansas Arts Academy and Subsidiary

Schedule of Expenditures of Federal Awards Year ended June 30, 2024

Federal Agency / Pass-Through Entity / Program	Pass-Through Entity Identifying Number	Assistance Listing Number	Amount Expended
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
Passed Through Arkansas Department of Education:			
School Breakfast Program	0440	10.553	\$ 46,314
Commodities	0440	10.555	32,962
National School Lunch Program	0440	10.555	184,425
Performance Based Reimbursement	0440	10.555	6,078
Supply Chain Assistance II	0440	10.555	33,590
Fresh Fruits and Vegetable Program	0440	10.582	9,100
Total Child Nutrition Cluster			<u>312,469</u>
Total U.S. Department of Agriculture			<u>312,469</u>
<u>U.S. Department of Education</u>			
Special Education Cluster (IDEA)			
Passed Through Arkansas Department of Education:			
Title VI-B Pass Through Funding	0440	84.027	305,980
Title VI-B ARP Special Education School Age Funding	0440	84.027X	53,728
Title VI-B Early Childhood	0440	84.173	2,406
Title VI-B ARP Special Education Early Childhood Funding	0440	81.173X	6,258
Total Special Education Cluster (IDEA)			<u>368,372</u>
Other Programs			
Passed Through Arkansas Department of Education:			
Title I Grants to Local Education Agencies	0440	84.010	254,895
Title II, Part A - Improving Teacher Quality Grant	0440	84.367	61,971
Title IV, Part A-Student Support and Academic Enrichment	0440	84.424A	26,704
Title IV, Stronger Connections Grant	0440	84.424F	44,767
ARP ESSER III	0440	84.425U	39,534
ARP ESSER III - High Impact Tutoring	0440	84.425U	62,716
Total Other Programs			<u>490,587</u>
Total U.S. Department of Education			<u>858,959</u>
Total Federal Awards Expended			<u><u>\$ 1,171,428</u></u>

See Independent Auditor's Report

Arkansas Arts Academy and Subsidiary

Notes to Schedule of Expenditures of Federal Awards Year ended June 30, 2024

Scope of Audit Pursuant to the Uniform Guidance

All federal and state financial award programs of Arkansas Arts Academy and Subsidiary (the School) are included in the scope of the Uniform Guidance audit. For purposes of this schedule, federal awards include those received from other agencies, the original source of which was a federal agency.

Summary of Significant Accounting Policies

The School's grant funds are accounted for on the modified cash basis of accounting. Under the modified cash basis, grant revenues are recognized when received and expenditures are recorded when paid. These grant funds are included in the "Federal Assistance" line of the Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balance – Regulatory Basis. The School is the recipient of federal and state grant awards. The grant programs are administered by various departments within the School. The activities of these departments are monitored by School staff to ensure compliance with the requirements of grants.

Relationship to Federal Financial Reports

Grant expenditures reports as of June 30, 2024, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

10% De Minimis Indirect Cost Rate

The School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients

No awards were provided to subrecipients.

Medicaid Reimbursements

Medicaid reimbursements are defined as contracts for services and not federal awards; therefore, they are not covered by the reporting requirements of the Uniform Guidance. Total Medicaid funding for the year ended June 30, 2024 was \$220,611, of which \$20,080 was from the Arkansas Department of Human Services.

Arkansas Arts Academy and Subsidiary

Schedule of State Assistance
Year ended June 30, 2024

Pass-Through Entity Program	Pass-Through Entity Identifying Number	Amount Awarded
Passed Through Arkansas Department of Education:		
Assessment End of Learning	0440	\$ 2,850
Charter School Facilities Funding	0440	566,320
Declining Enrollment	0440	414,000
Early Childhood Special Education	0440	6,646
Early Intervention Day Treatment	0440	2,360
Limited English Proficiency Funding	0440	32,574
Minimum Teacher Salary	0440	483,737
National Board Certification	0440	6,132
National School Lunch Student Funding	0440	203,902
Professional Development Funding	0440	40,257
State Child Nutrition Match	0440	2,819
State Foundation Funding	0440	8,178,075
State School Safety Grant	0440	147,267
Teacher Incentive	0440	14,718
Teacher Salary Equality Funding	0440	218,709
Total Arkansas Department of Education		<u>10,320,366</u>
Total State Awards		<u><u>\$ 10,320,366</u></u>

See Independent Auditor's Report

Arkansas Arts Academy and Subsidiary

Schedule of Findings and Questioned Costs Year ended June 30, 2024

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The School qualified as a low-risk auditee as that term is defined in the Uniform Guidance?

Yes No

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

There were no audit findings for the year ended June 30, 2024.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no audit findings for the year ended June 30, 2024.

Arkansas Arts Academy and Subsidiary

Summary Schedule of Prior Year Audit Findings Year ended June 30, 2024

Prior Year Finding No. 2023-001: Child Nutrition Cluster – Federal Assistance Listing Number 10.553, 10.555, 10.582

Condition: The School must complete student income verification using the standard sampling method as described in 7CFR 245.6(a). The Child Nutrition Unit (CNU), which is part of the Arkansas Department of Education, performed an Administrative Review for the School’s Child Nutrition Program on January 6, 2023. The Administrative Review revealed ongoing verification violations by the program that continued to be out of compliance during the 2023 fiscal year in a letter to the School on January 27, 2023. The School failed to use the correct sampling method, did not prioritize error prone applications for selections, did not perform a confirmation review of the selected applications, did not use notification letters that were pre-approved as part of the annual CNU Agreement, failed to provide proof of income for the selected applications, and did not maintain sufficient documentation of the verification process. The CNU stated that the School was to be placed on a financial hold until all items in the corrective action plan had been received, reviewed, and confirmed.

Recommendation: The School should complete all items in the corrective action plan provided by the CNU.

Current Status: The School has completed all items in the corrective action plan and submitted them to the CNU. The CNU accepted the corrective action plan items and closed their administrative review in May 2023. The Superintendent and Business Manager were trained by the state on application and verification processes and reviewed all free and reduced lunch applications for the 2023-2024 school year. A new Child Nutrition Director with a Nutrition Degree was hired July 1, 2024. The Child Nutrition Director and Business Manager attended ADE Summit for additional training.

Arkansas Arts Academy and Subsidiary

Supplemental Data Sheet Required by the Department of Health and Human Services Year ended June 30, 2024

Name and address:	Arkansas Arts Academy 1110 West Poplar Street, Suite A Rogers, Arkansas 72756
Employer Identification Number:	71-0832162
Telephone Number:	479-877-1795
Chief Executive Officer:	Dr. Allison Roberts
Contact Person:	Dr. Allison Roberts
Cost of Audit:	Available upon request.



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS**

To the School Board
Arkansas Arts Academy and Subsidiary
Rogers, Arkansas

We have examined management's assertions that the Arkansas Arts Academy and Subsidiary (the School) substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended June 30, 2024. Management is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the School's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, including examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, the School complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2024.

This report is intended solely for the information and use of the School Board, management and the Arkansas Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

Rogers, Arkansas
March 11, 2025