

SARASOTA ACADEMY OF THE ARTS, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2024



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sarasota Academy of the Arts, Inc.

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sarasota Academy of the Arts, Inc. (the School) (a component unit of the School Board of Sarasota County, Florida) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Sarasota Academy of the Arts, Inc.'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 and each major fund of Sarasota Academy of the Arts, Inc. as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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, 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 schedule 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 4, 2024, on our consideration of Sarasota Academy of the Arts, Inc.'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 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 Sarasota Academy of the Arts, Inc.'s internal control over financial reporting and compliance.

Pellegrino McFarland & Tortora, P.A.

Sarasota, Florida
September 4, 2024

SARASOTA ACADEMY OF THE ARTS, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2024

The following pages represent Management's Discussion and Analysis (MD&A) of Sarasota Academy of the Arts, Inc. (the School). It depicts and reviews the financial picture and activities of the School as of and for the year ended June 30, 2024.

The intent of this MD&A is to present a picture and assessment of the School's financial performance in an effort to more clearly demonstrate to readers the results of this year's financial operations. Readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

Using the Financial Statements

This financial report includes a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the School as a financial whole, or as an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the School as a whole, presenting both an aggregate view of the School's finances and a longer-term view of those finances. The Governmental Fund statements show how services were financed in the short-term as well as what financial resources remain for future spending.

Financial Highlights

Statement of Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Current and other assets	\$ 709,562	\$ 534,223	\$ 175,339
Capital assets	1,138,056	1,223,932	(85,876)
Right to use leased assets	<u>3,104,316</u>	<u>3,334,265</u>	<u>(229,949)</u>
 Total Assets	 <u>\$ 4,951,934</u>	 <u>\$ 5,092,420</u>	 <u>\$ (140,486)</u>
 Current liabilities	 \$ 152,875	 \$ 127,847	 \$ 25,028
Noncurrent liabilities	3,773,217	4,005,572	(232,355)
Total Liabilities	<u>3,926,092</u>	<u>4,133,419</u>	<u>(207,327)</u>
 Net investment in capital assets	 702,859	 623,932	 78,927
Restricted	200,000	200,000	-
Unrestricted	<u>122,983</u>	<u>135,069</u>	<u>(12,086)</u>
Total Net Position	<u>1,025,842</u>	<u>959,001</u>	<u>66,841</u>
 Total Liabilities and Net Position	 <u>\$ 4,951,934</u>	 <u>\$ 5,092,420</u>	 <u>\$ (140,486)</u>

Total assets declined by 2.8% primarily driven by a net reduction in capital assets and right to use leased assets, both of which are affected by depreciation and amortization expense, respectively.

Total liabilities decreased by 5.1% due to the reduction in debt from paying down approximately \$165,000 in notes payable and around \$68,000 in lease liabilities.

SARASOTA ACADEMY OF THE ARTS, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2024

Statement of Activities

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 43,012	\$ 23,307	\$ 19,705
Operating grants and contributions	1,115	6,059	(4,944)
General revenues			
Florida education finance program (FEFP)	1,937,980	1,742,381	195,599
Other state revenue	339,490	164,463	175,027
Other local revenue	29,785	63,334	(33,549)
Restricted investment earnings	<u>84</u>	<u>84</u>	<u>-</u>
Total revenues	<u>2,351,466</u>	<u>1,999,628</u>	<u>351,838</u>
Expenses			
Instruction	973,206	909,841	63,365
Exceptional instruction	93,573	127,599	(34,026)
Board	12,947	50,576	(37,629)
General administration	88,170	31,862	56,308
School administration	284,933	255,351	29,582
Facility services	84,134	206,767	(122,633)
Fiscal services	28,705	27,546	1,159
Food services	170	378	(208)
Central services	215	832	(617)
Student transportation services	27,899	44,428	(16,529)
Operation of plant	429,967	353,839	76,128
Maintenance of plant	53,061	66,159	(13,098)
Administrative technology	150	25,697	(25,547)
Community services	44,933	29,075	15,858
Debt service	<u>162,562</u>	<u>84,838</u>	<u>77,724</u>
Total expenses	<u>2,284,625</u>	<u>2,214,788</u>	<u>69,837</u>
Change in net position	66,841	(215,160)	282,001
Net position, beginning of year	<u>959,001</u>	<u>1,174,161</u>	<u>(215,160)</u>
Net position, end of year	<u>\$ 1,025,842</u>	<u>\$ 959,001</u>	<u>\$ 66,841</u>

Total revenues increased approximately 17.6% due to increase in higher FEFP allocations, ESSER funding and other increased fundraising efforts.

Overall expenditures increased approximately 7% primarily driven by increased rental terms and paydown of notes payable.

SARASOTA ACADEMY OF THE ARTS, INC.
Management's Discussion and Analysis (Unaudited)
June 30, 2024

Capital Assets

Below is a schedule of the School's capital assets as of June 30, 2024 and 2023. See Note 4 to the financial statements for a detail of the activity during the fiscal year.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Capital assets, being depreciated			
Building and improvements	\$ 1,261,995	\$ 1,261,995	\$ -
Furniture, fixtures and equipment	79,839	79,839	-
Motor vehicles	<u>25,787</u>	<u>25,787</u>	-
Total capital assets being depreciated	1,367,621	1,367,621	-
Less accumulated depreciation	<u>229,565</u>	<u>143,689</u>	<u>(85,876)</u>
Total capital assets, net	<u>\$ 1,138,056</u>	<u>\$ 1,223,932</u>	<u>\$ (85,876)</u>

Capital asset changes during the year were due to the annual depreciation of current capital assets.

Leased Asset Activity

At June 30, 2024 the School had \$3,104,316 in leased assets, net of amortization. The School began recording leased assets in fiscal year 2022-23, pursuant to Governmental Accounting Standards Board (GASB) Statement No. 87 – Leases. See Note 7 to the financial statements for detail on leased assets.

Debt

Below is a schedule of outstanding debt as of June 30, 2024 and 2023. See Note 6 to the financial statements for a detail of changes during the fiscal year and specific debt provisions.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Notes payable	<u>\$ 435,197</u>	<u>\$ 600,000</u>	<u>\$ (164,803)</u>

Changes in debt during the year included payment of principal for notes of approximately \$165,000.

Economic Factors and the Budget

The School's overall expenses increased by \$69,837 and overall revenues increased by \$351,838.

The viability and future goals of the School are based on the continuation of conservative and creative financial management. The School's future success rests with the choice to continue prudent and conservative financial management as well as meeting and surpassing the academic and creative needs of its students.

Request for Information

This financial report is designed to provide a general overview of the finances of the School. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Jodi Kopacz, Principal at 582 McIntosh Road, Sarasota, Florida 34232.

SARASOTA ACADEMY OF THE ARTS, INC.

Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 450,200
Accounts receivable	35,195
Prepaid items	7,500
Deposits	16,667
Total Current Assets	<u>509,562</u>
Noncurrent Assets	
Restricted cash and cash equivalents	200,000
Capital assets, net of depreciation	1,138,056
Right to use leased assets, net of amortization	3,104,316
Total Noncurrent Assets	<u>4,442,372</u>
Total Assets	<u><u>\$ 4,951,934</u></u>
LIABILITIES AND NET POSITION	
Current Liabilities	
Accounts payable	\$ 2,068
Accrued payroll	150,807
Total Current Liabilities	<u>152,875</u>
Noncurrent Liabilities	
Due within one year	255,617
Due in more than one year	3,517,600
Total Noncurrent Liabilities	<u>3,773,217</u>
Total Liabilities	3,926,092
Net position	
Net investment in capital assets	702,859
Restricted	200,000
Unrestricted	122,983
Total Net Position	<u>1,025,842</u>
Total Liabilities and Net Position	<u><u>\$ 4,951,934</u></u>

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

SARASOTA ACADEMY OF THE ARTS, INC.

Statement of Activities

For the Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Governmental activities					
Instruction	\$ 973,206	\$ -	\$ -	\$ 21,732	\$ (951,474)
Exceptional instruction	93,573	-	1,115	-	(92,458)
Board	12,947	-	-	-	(12,947)
General administration	88,170	-	-	-	(88,170)
School administration	284,933	-	-	-	(284,933)
Facilities services	84,134	-	-	-	(84,134)
Fiscal services	28,705	-	-	-	(28,705)
Food services	170	-	-	-	(170)
Central services	215	-	-	-	(215)
Pupil transportation	27,899	-	-	-	(27,899)
Operation of plant	429,967	-	-	-	(429,967)
Maintenance of plant	53,061	-	-	-	(53,061)
Administrative technology	150	-	-	-	(150)
Community services	44,933	43,012	-	-	(1,921)
Debt service	162,562	-	-	-	(162,562)
	<u>\$ 2,284,625</u>	<u>\$ 43,012</u>	<u>\$ 1,115</u>	<u>\$ 21,732</u>	<u>\$ (2,218,766)</u>
Total governmental activities					

General revenues:

Florida education finance program	1,916,248
Other state revenue	339,490
Other local revenue	29,785
Restricted investment earnings, net of fees	84
Total general revenues	2,285,607
Change in net assets	66,841
Net position at beginning of year	959,001
Net position at end of year	\$ 1,025,842

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

SARASOTA ACADEMY OF THE ARTS, INC.

Balance Sheet - Governmental Funds

June 30, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 450,200	\$ -	\$ 450,200
Accounts receivable	35,195	-	35,195
Prepaid items	7,500	-	7,500
Deposits	<u>16,667</u>	<u>-</u>	<u>16,667</u>
Total Current Assets	509,562	-	509,562
Noncurrent Assets			
Restricted cash and cash equivalents	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>\$ 709,562</u>	<u>\$ -</u>	<u>\$ 709,562</u>
 LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable	\$ 2,068	\$ -	\$ 2,068
Accrued payroll	<u>150,807</u>	<u>-</u>	<u>150,807</u>
Total Liabilities	152,875	-	152,875
Fund Balance			
Nonspendable	24,167	-	24,167
Restricted	200,000	-	200,000
Unassigned	<u>332,520</u>	<u>-</u>	<u>332,520</u>
Total Fund Balance	<u>556,687</u>	<u>-</u>	<u>556,687</u>
Total Liabilities and Fund Balance	<u>\$ 709,562</u>	<u>\$ -</u>	<u>\$ 709,562</u>

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

SARASOTA ACADEMY OF THE ARTS, INC.
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds	\$	556,687
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>		
Capital assets	\$ 1,367,621	
Less accumulated depreciation	<u>(229,565)</u>	1,138,056
<p>Right to use assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Right to use leased assets	3,449,240	
Less accumulated amortization	<u>(344,924)</u>	3,104,316
<p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Compensated absences	(375)	
Leases	(3,337,645)	
Notes payable	<u>(435,197)</u>	<u>(3,773,217)</u>
Net Position of Governmental Activities		<u><u>\$ 1,025,842</u></u>

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

SARASOTA ACADEMY OF THE ARTS, INC.
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Total Primary Government
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Federal through state	\$ 237,246	\$ -	\$ 237,246
State	1,585,516	103,357	1,688,873
Local	425,260	-	425,260
Investment income	84	-	84
	<u> </u>	<u> </u>	<u> </u>
Total revenues	2,248,106	103,357	2,351,463
Expenditures			
Education			
Basic instruction	973,206	-	973,206
Exceptional instruction	93,573	-	93,573
Board	12,947	-	12,947
General administration	88,170	-	88,170
School administration	283,191	-	283,191
Fiscal services	28,705	-	28,705
Food services	170	-	170
Central services	215	-	215
Pupil transportation	27,899	-	27,899
Operation of plant	267,567	-	267,567
Maintenance of plant	53,061	-	53,061
Administrative technology	150	-	150
Community services	44,933	-	44,933
Debt service			
Principal	164,803	-	164,803
Interest	162,562	-	162,562
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	2,201,152	-	2,201,152
Excess (deficit) of revenues over expenditures	46,954	103,357	150,311
Other financing sources (uses)			
Transfer between funds	103,357	(103,357)	-
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	150,311	-	150,311
Fund balance at beginning of year	406,376	-	406,376
	<u> </u>	<u> </u>	<u> </u>
Fund balance at end of year	<u>\$ 556,687</u>	<u>\$ -</u>	<u>\$ 556,687</u>

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

SARASOTA ACADEMY OF THE ARTS, INC.
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balance of the Governmental Funds to Statement of Activities
 For the Year Ended June 30, 2024

Net Change in Fund Balance - Governmental Funds \$ 150,311

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Less current year depreciation	<u>\$ (85,876)</u>	(85,876)
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Amortization expense for right to use leased assets	<u>(229,948)</u>	(229,948)
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position.

Capital leases	67,553	
Principal repayments	<u>164,803</u>	<u>232,356</u>

Change in Net Position - Governmental Activities		<u><u>\$ 66,843</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

SARASOTA ACADEMY OF THE ARTS, INC.
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 5,323
Total Assets	\$ 5,323
LIABILITIES	
Total Liabilities	\$ -
NET POSITION	
Restricted for:	
Parent Teacher Organization	5,323
Total Net Position	\$ 5,323

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

SARASOTA ACADEMY OF THE ARTS, INC.
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Miscellaneous	<u>\$ -</u>
Total additions	<u>-</u>
DEDUCTIONS	
Payments for	
Instructional, board and school administration activities	<u>-</u>
Total deductions	<u>-</u>
Net increase (decrease) in fiduciary net position	-
Net position at beginning of year	<u>5,323</u>
Net position at end of year	<u><u>\$ 5,323</u></u>

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

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 1 – ORGANIZATION

Sarasota Academy of the Arts, Inc. (the “School”) is a not-for-profit corporation formed on July 19, 2012, pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 228.056, Florida Statutes. The governing body of the School is a Board of Directors of no less than five members. The School is dedicated to teaching principles of academic excellence and social responsibility to grades K-8 through involvement of students, faculty, parents, mentors, and the community. The School’s curriculum emphasizes the arts encouraging students to learn, think and explore by traditional and nontraditional means.

The general operating authority of the School is contained in Chapter 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school board, the School Board of Sarasota County, Florida (the School Board). The current charter is effective until June 30, 2033, and may be renewed by mutual agreement between the School and the School Board. The School is considered a component unit of the School Board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of the School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of government accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

B. Government-Wide and Fund Financial Statements

The School’s basic financial statements include both government-wide (reporting on the School as a whole) and fund financial statements (reporting on the General Fund and Capital Projects Fund). Both the government-wide and fund financial statements present only governmental activities. The School has no business type activities.

In the government-wide Statement of Net Position, the School reports on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School’s net position are reported in three parts (as applicable): net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted grants and contributions and other items not properly included among program revenues are reported as general revenues.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

The financial transactions of the School are reported in individual funds in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

The individual generic fund types in the School’s financial statements are governmental funds. The focus of the governmental funds’ measurement (in the fund statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than net income.

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

Capital Projects Fund – used to account for charter school capital outlay funding that is legally restricted to expenditures for particular purposes.

Additionally, the School reports separately the following fiduciary fund type:

Custodial Fund – accounts for resources of the School’s Internal Fund, which is used to administer monies collected by the Parent Teacher Organization, in connection with school, student athletics, class, and club activities.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. When grant terms provide that the expenditure of resources is the determining factor for eligibility for Federal, State and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues for current operations received from the School Board of Sarasota County, Florida, pursuant to the funding provisions included in the School’s charter are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Budgetary Basis of Accounting

The annual budget was adopted on the modified accrual basis of accounting. The level of budgetary control is at the entity level. All annual appropriations lapse at fiscal year-end. For fiscal year ended June 30, 2024, appropriations exceeded expenses by \$150,311. Revisions, if any, to the annual budget are approved by the Board.

E. Cash Deposits

The School's cash consists of demand deposits with financial institutions insured by the Federal Depository Insurance Company. For financial reporting purposes, cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Receivables

All amounts due from the School Board and other receivables are deemed collectible. Therefore, no allowance has been recorded as of June 30, 2024.

H. Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements and are not reported in the fund financial statements. Capital assets are defined by the School as assets with an initial cost of more than \$750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed or estimated historical cost when actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 10 to 39 years for buildings and improvements, and 3 to 10 years for furniture, fixtures and equipment, and 3 to 5 years for software.

I. Long-term Debt

In the governmental-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Leases

The School leases a building. A lease liability and an intangible right-to-use lease asset (RTU lease asset) are recognized in the government-wide financial statements for each lessee transaction.

At the commencement of each lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portions of lease payments made. The RTU lease assets are measured as the initial amount of the individual lease liabilities, adjusted for lease payments made at or before the lease commencement dates, plus certain initial direct costs. Subsequently, the RTU lease assets are amortized on a straight-line basis over their useful lives.

The School calculates operating lease liabilities using the interest rate charged by the lessor as the discount rate. When an interest rate charged by the lessor is not provided, the risk-free rate, using a comparable period with the lease term, is used as the discount rate for leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

K. Interfund Transfers

The School reports its debt service and capital fund expenditures in the general fund. For the year ended June 30, 2024, the capital projects fund transferred \$103,357 to the general fund for current year expenditures and debt service payments.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

M. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. All net positions not reported as net investment in capital assets and restricted net position, are reported as unrestricted net position.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balances are classified as follows:

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the School removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the School’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to a specific purpose within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the School’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the School’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

O. Revenue Sources

Revenues for current operations are received primarily from the School Board of Sarasota County pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Revenue Sources – Continued

The School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Additional revenues are derived from various fund-raising activities, contributions and interest earned.

P. Income Taxes

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The School's status as a tax exempt not-for-profit entity is considered a tax position subject to reporting requirements under FASB Accounting Standards Codification 740-10. Entities are required to examine all tax positions and determine if it is more likely than not that the positions would be sustained upon examination by taxing authorities. The School has not recorded any accruals for uncertain income tax positions at June 30, 2024.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned. The School can mitigate this risk by depositing funds in financial institutions insured by Federal depository insurance. The deposits are insured by the FDIC up to \$250,000 per bank institution. At June 30, 2024, the carrying amount of the School's deposits was \$650,200 and bank balances were \$655,523. The School had uninsured balances of \$232,873 as of June 30, 2024.

At June 30, 2024, the School reported restricted cash in the amount of \$200,000, as required by the School Board.

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, being depreciated				
Buildings and improvements	\$ 1,261,995	\$ -	\$ -	\$ 1,261,995
Furniture, fixtures and equipment	79,839	-	-	79,839
Motor vehicles	<u>25,787</u>	-	-	<u>25,787</u>
Total capital assets being depreciated	<u>1,367,621</u>	-	-	<u>1,367,621</u>
Less accumulated depreciation				
Buildings and improvements	42,067	84,133	-	126,200
Furniture, fixtures and equipment	75,835	1,743	-	77,578
Motor vehicles	<u>25,787</u>	-	-	<u>25,787</u>
Total accumulated depreciation	<u>143,689</u>	<u>85,876</u>	-	<u>229,565</u>
Capital assets, net	<u>\$ 1,223,932</u>	<u>\$ (85,876)</u>	<u>\$ -</u>	<u>\$ 1,138,056</u>

Depreciation expense of \$85,876 for the year ended June 30, 2024 was allocated to the following functions:

School administration	\$ 1,743
Facilities services	<u>84,133</u>
Total	<u>\$ 85,876</u>

NOTE 5 – NONCURRENT LIABILITIES

Activity for noncurrent liabilities for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities					
Compensated absences	\$ 375	\$ -	\$ -	\$ 375	\$ -
Notes payable	600,000	-	164,803	435,197	134,954
Lease liabilities	<u>3,405,197</u>	-	<u>67,552</u>	<u>3,337,645</u>	<u>120,663</u>
Totals	<u>\$ 4,005,572</u>	<u>\$ -</u>	<u>\$ 232,355</u>	<u>\$ 3,773,217</u>	<u>\$ 255,617</u>

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 6 – NOTES PAYABLE

In May of 2022, the School entered into a loan agreement with Synovus Bank for \$600,000 to help finance building renovations of the School. Principal and interest payments of \$13,873 are due monthly. The loan bears a fixed annual interest rate of 5.125% and matures June 1, 2027. Leasehold improvements of the property have been placed as collateral.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30:</u>			
2025	\$ 134,954	\$ 17,651	\$ 152,605
2026	154,690	11,788	166,478
2027	<u>145,553</u>	<u>3,684</u>	<u>149,237</u>
Total	<u>\$ 435,197</u>	<u>\$ 33,123</u>	<u>\$ 468,320</u>

NOTE 7 – LEASES

Leased Assets

In December of 2021, the School entered into a lease agreement with The Jewish Federation of Sarasota-Manatee, Inc. to lease a building on their property. The lease commenced in January, 2023, and is for a term of fifteen (15) years. The annual rental amount will be \$200,000 payable in equal monthly installments for the first two years; \$300,000 for years three, four and five; \$313,200 for years six – ten; and \$360,000 for years eleven – fifteen. The annual rental will increase by \$1,044 for each enrolled student over 300.

Certain leases can be short-term or renewable at the option of the School, and are accounted for appropriately per GASB Statement No. 87, Leases. As of June 30, 2024 there were no leases with variable payments not included in the measurement of the lease liability and none of the leases contained residual value guarantees. Leased assets are amortized on a straight-line basis over the life of the lease. Amortization expense for the fiscal year ended June 30, 2024 was \$229,953.

Leased assets	\$ 3,449,240
Accumulated amortization	<u>(344,924)</u>
Leased assets, net	<u>\$ 3,104,316</u>

SARASOTA ACADEMY OF THE ARTS, INC.

Notes to the Financial Statements

June 30, 2024

NOTE 7 – LEASES – CONTINUED

Amortization for the remaining lease term as of June 30, 2024 are as follows:

Fiscal Year Ending		Total
<u>June 30:</u>		
2025	\$	229,949
2026		229,949
2027		229,949
2028		229,949
2029		229,949
Thereafter		<u>1,954,571</u>
Total amortization	\$	<u>3,104,316</u>

Lease Liabilities

The School leases a building. As of June 30, 2024 the School's lease liabilities total \$3,337,645. Annual principal and interest payments due for lease payments as of June 30, 2024 are as follows:

Fiscal Year Ending		Principal	Interest	Total
<u>June 30:</u>				
2025	\$	120,663	\$ 129,337	\$ 250,000
2026		176,893	123,107	300,000
2027		183,962	116,038	300,000
2028		197,969	108,631	306,600
2029		212,666	100,534	313,200
2030-2034		1,270,000	366,200	1,636,200
2035-2038		<u>1,175,492</u>	<u>84,508</u>	<u>1,260,000</u>
Total	\$	<u>3,337,645</u>	<u>1,028,355</u>	<u>4,366,000</u>

NOTE 8 – RETIREMENT PLAN

The School sponsors a defined contribution pension plan that covers all full-time employees that have met certain age and service requirements. The School's contributions to the plan are \$400 the first year, \$500 the second year and \$600 the third year per participating employee. Employees are vested in the plan according to a schedule. For the year ended June 30, 2024, the School's retirement plan contributions were \$12,267.

NOTE 9 – RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School has purchased commercial insurance.

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The School has evaluated subsequent events through September 4, 2024 the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

SARASOTA ACADEMY OF THE ARTS, INC.
Required Supplementary Information
Budgetary Comparison Schedule - General Fund (Unaudited)
For the Year Ended June 30, 2024

	Primary Government			
	Original Budget	Final Budget	Actual	Over / (Under)
Revenues				
Federal through state	\$ 206,000	\$ 206,000	\$ 237,246	\$ 31,246
State	1,826,519	1,826,519	1,688,873	(137,646)
Local	421,436	421,436	425,260	3,824
Investment income	84	84	84	-
Total revenues	<u>2,454,039</u>	<u>2,454,039</u>	<u>2,351,463</u>	<u>(102,576)</u>
Expenditures				
Education				
Basic instruction	1,059,971	1,059,971	973,206	(86,765)
Exceptional instruction	153,824	153,824	93,573	(60,251)
Instructional staff training services	1,500	1,500	-	(1,500)
Board	15,500	15,500	12,947	(2,553)
General administration	40,722	40,722	88,170	47,448
School administration	299,104	299,104	283,191	(15,913)
Fiscal services	32,000	32,000	28,705	(3,295)
Food services	400	400	170	(230)
Central services	1,200	1,200	215	(985)
Pupil transportation	40,546	40,546	27,899	(12,647)
Operation of plant	480,552	480,552	267,567	(212,985)
Maintenance of plant	112,500	112,500	53,061	(59,439)
Administrative technology	14,000	14,000	150	(13,850)
Community services	33,500	33,500	44,933	11,433
Debt service	166,478	166,478	327,365	160,887
Total expenses	<u>2,451,797</u>	<u>2,451,797</u>	<u>2,201,152</u>	<u>(250,645)</u>
Excess (deficit) of revenues over expenditures	<u>2,242</u>	<u>2,242</u>	<u>150,311</u>	<u>148,069</u>
Net change in fund balance	<u>\$ 2,242</u>	<u>\$ 2,242</u>	<u>\$ 150,311</u>	<u>\$ 148,069</u>

Notes to Required Supplementary Information:

Budgets are presented on the modified accrual basis of accounting. All annual appropriations lapse at fiscal year end.
Budgets may be amended by resolution at any board meeting prior to the date for the annual report.

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

To the Board of Directors
Sarasota Academy of the Arts, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Sarasota Academy of the Arts, Inc. (the School), a Charter School and component unit of the School Board of Sarasota County, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sarasota Academy of the Arts, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sarasota Academy of the Arts, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Sarasota Academy of the Arts, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Pellegrino McFarland & Tortora, P.A.

Sarasota, Florida
September 4, 2024

MANAGEMENT LETTER

To the Board of Directors
Sarasota Academy of the Arts, Inc.

Report on the Financial Statements

We have audited the financial statements of Sarasota Academy of the Arts, Inc. (the School), a Charter School and component unit of the School Board of Sarasota County, as of and for the year ended June 30, 2024, and have issued our report thereon dated September 4, 2024.

Auditors' 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 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and 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 June 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, as noted below under the heading *Status of Prior Year Findings and Recommendations* and *Current Year Findings and Recommendations*.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity are Sarasota Academy of the Arts, Inc., 580113.

Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we report the results of our determination as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Sarasota Academy of the Arts, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the school maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Sarasota Academy of the Arts, Inc. maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, matters required to be disclosed are included under the heading *Status of Prior Year Findings and Recommendations* and *Current Year Findings and Recommendations*.

Section 10.854(1)(e)4, Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuses that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Pellegrino McFarland & Tortora, P.A.

Sarasota, Florida
September 4, 2024

Status of Prior Year Findings and Recommendations

Finding 2022-01: The principal's bonus paid in July 2023 was not included in payroll.

Recommendation: We recommended the School report bonuses to the payroll company in order to be in compliance with labor laws.

Comment no longer applicable

Finding 2022-02: While testing payroll, we discovered the payments to the retirement account administrator did not tie to the payroll reports and that there were several late payments.

Recommendation: We recommended the School implement review procedures to ensure the correct amounts are being submitted to the retirement account administrator each month within the required time.

Comment no longer applicable

Current Year Findings and Recommendations

There were no current year findings or recommendations.