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

INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY
INFORMATION

JUNE 30, 2026

TABLE OF CONTENTS

Page

INDEPENDENT AUDITORS' REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) 4

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position 8

Statement of Activities.....9

Fund Financial Statements

Balance Sheet – Governmental Funds 10

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position 11

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds.....12

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities....13

Statement of Fiduciary Net Position - Fiduciary Funds.....14

Statement of Changes in Fiduciary Net Position - Fiduciary Fund 15

Notes to Basic Financial Statements.....16

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule (Unaudited). 25

Notes to Budgetary Comparison Schedule. 26

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 *Governmental Auditing Standards* 27

Management Letter 29

miller & miller CPAs

Marc A. Miller, CPA*

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INDEPENDENT AUDITORS' REPORT

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 Charter School), a Charter School and component unit of the School Board of Sarasota County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Sarasota Academy of the Arts, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of Sarasota Academy of the Arts, Inc., as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Charter 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.

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Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Charter 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 Charter 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 on pages 4-7 and budgetary comparison schedule and notes to budgetary comparison schedule on pages 25-26 be presented to supplement the basic financial statements. Such information, 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 22, 2026, on our consideration of the 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.

Miller & Miller, P.A.

Sarasota, Florida
September 22, 2026

The following pages represent Management's Discussion and Analysis (MD&A) of Sarasota Academy of the Arts, Inc. (the Charter School). It presents and analyzes the financial position and activities of the Charter School as of and for the year ended June 30, 2026.

The intent of this MD&A is to present a picture and assessment of the Charter 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 Charter 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 Sarasota Academy of the Arts, Inc. 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 Charter School as a whole, presenting both an aggregate view of the Charter School's finances and a longer-term view of those finances. The financial statements show how services were financed in the short-term as well as the financial resources available for future spending.

Financial Highlights

Statement of Net Position

	2026	2025	$ Change	% Change
Current and other assets	$ 1,253,108	$ 1,027,010	$ 226,098	
Capital assets	990,741	1,061,781	(71,040)	
Right-to-use lease assets	2,644,417	2,874,366	(229,949)	
Total Assets	$ 4,888,266	$ 4,963,157	$ (74,891)	(1.51)%
Current liabilities	$ 167,808	$ 229,835	$ (62,027)	
Noncurrent liabilities	3,186,563	3,517,860	(331,297)	
Total Liabilities	$ 3,354,371	$ 3,747,695	$ (393,324)	(10.50)%
Net investment in capital assets	$ 844,642	$ 761,278	$ 83,364	
Restricted	200,000	200,000	-	
Unrestricted	489,253	254,184	235,069	
Total Net Position	1,533,895	1,215,462	318,433	26.20%
Total Liabilities and Net Position	$ 4,888,266	$ 4,963,157	$ (74,891)	

Total assets decreased slightly by 1.51%, reflecting higher cash and other assets but offset by reductions in capital assets and right-of-use leased assets due to ongoing depreciation and amortization.

Total liabilities decreased by 10.50% due to the reduction in debt from paying down approximately $154,000 in notes payable and approximately $177,000 in lease liabilities, and by the decrease of deferred revenue of approximately $72,000.

Statement of Activities

	2026	2025	Change	% Change
Revenues				
Program revenues				
Charges for services	$ 69,937	$ 58,583	$ 11,354	
Operations grants and contributions	8,422	2,760	5,662	
General revenues				
Florida education finance program (FEFP)	2,642,541	2,369,752	272,789	
Other state revenue	130,107	120,956	9,151	
Other local revenue	26,767	43,485	(16,718)	
Restricted investment earnings	2,193	851	1,342	
Total revenues	2,879,967	2,596,387	283,580	10.92%
Expenses				
Basic Instruction	1,095,354	1,007,539	87,815	
Exceptional instruction	175,580	128,729	46,851	
Instruction and curriculum development	233	-	233	
Board	15,480	13,732	1,748	
General administrative	101,029	97,577	3,472	
School administrative	270,792	256,412	14,380	
Facility services	84,481	84,134	347	
Fiscal services	31,489	33,416	(1,927)	
Food services	4,500	5,000	(500)	
Central services	90	513	(423)	
Pupil personnel services	434	-	434	
Pupil transportation services	29,453	61,673	(32,220)	
Operation of plant	459,018	454,944	4,074	
Maintenance of plant	82,792	62,449	20,343	
Administrative technology	-	150	(150)	
Community services	61,756	53,271	8,485	
Debt service	149,053	147,248	1,805	
Total expenses	2,561,534	2,406,767	154,767	6.43%
Change in net position	318,433	189,620	128,813	
Net position, beginning of year	1,215,462	1,025,842	189,620	
Net position, end of year	$ 1,533,895	$ 1,215,462	$ 318,433	26.20%

Total revenue increased by approximately 10.92%, driven by higher FEFP allocations.

Overall expenditures rose by approximately 6.43%, reflecting higher costs across nearly all activities.

Capital Assets

Below is a schedule of the Charter School's capital assets as of June 30, 2026 and 2025.

	2026	2025	Change
Capital assets being depreciated			
Building and improvements	$ 1,274,093	$ 1,261,995	$ 12,098
Furniture, fixtures and equipment	93,467	90,264	3,203
Motor vehicles	25,787	25,787	-
Total capital assets being depreciated	1,393,347	1,378,046	15,301
Less accumulated depreciation	402,606	316,265	86,341
Total capital assets, net	$ 990,741	$ 1,061,781	$ (71,040)

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

See Note 4 to the financial statements for details of the activity during the fiscal year and other related information.

Leased Asset Activity

At June 30, 2026, the Charter School had $2,644,417 in leased assets, net of amortization. The Charter School began recording leased assets in fiscal year 2022-23, pursuant to Governmental Accounting Standards Board (GASB) Statement No. 87 – Leases.

Debt

Below is a schedule of outstanding debt as of June 30, 2026 and 2025.

	2026	2025	Change
Notes payable	$ 146,099	$ 300,503	$ (154,404)

Changes in debt during the year included payment of principal for notes of approximately $154,000.

See Note 6 to the financial statements for details of the activity during the fiscal year and other related information.

Economic Factors and the Budget

The Charter School's overall expenses increased by $154,767 and overall revenues increased by $283,580.

The viability and future goals of the Charter School are based on the continuation of conservative and creative financial management. The Charter 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 Charter 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, FL 34242.

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

STATEMENT OF NET POSITION
JUNE 30, 2026

Assets		Governmental Activities
Current assets		
Cash	$	1,019,871
Receivable		16,570
Deposits		16,667
Total current assets		1,053,108
Noncurrent assets		
Restricted cash and cash equivalents		200,000
Capital assets, net of depreciation		990,741
Right to use leased assets, net of amortization		2,644,417
Total noncurrent assets		3,835,158
Total Assets	$	4,888,266
Liabilities and Net Position		
Current liabilities		
Accounts payable	$	11,368
Accrued salaries payable		156,440
Total current liabilities		167,808
Noncurrent liabilities		
Due within one year		330,061
Due in more than one year		2,856,502
Total noncurrent liabilities		3,186,563
Total Liabilities		3,354,371
Net position		
Investment in capital assets, net of related debt		844,642
Restricted		200,000
Unrestricted		489,253
Total net position		1,533,895
Total Liabilities and Net Position	$	4,888,266

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	Expenses	Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities					
Basic Instruction	$ 1,095,354	$ -	$ -	$ 51,434	$ (1,043,920)
Exceptional instruction	175,580	-	8,422	-	(167,158)
Instruction and curriculum development	233	-	-	-	(233)
Board	15,480	-	-	-	(15,480)
General administration	101,029	-	-	-	(101,029)
School administration	270,792	-	-	-	(270,792)
Facilities services	84,481	-	-	-	(84,481)
Fiscal services	31,489	-	-	-	(31,489)
Food services	4,500	-	-	-	(4,500)
Central services	90	-	-	-	(90)
Pupil personnel services	434	-	-	-	(434)
Pupil transportation services	29,453	-	-	-	(29,453)
Operation of plant	459,018	-	-	-	(459,018)
Maintenance of plant	82,792	-	-	-	(82,792)
Community services	61,756	69,937	-	-	8,181
Debt service	149,053	-	-	-	(149,053)
Total governmental activities	$ 2,561,534	$ 69,937	$ 8,422	$ 51,434	$ (2,431,741)
General revenues					
Florida education finance program					2,591,107
Other state revenue					130,107
Other local revenue					26,767
Restricted investment earnings, net of fees					2,193
Total general revenues					2,750,174
Change in net position					318,433
Net position, beginning of year					1,215,462
Net position, end of year					$ 1,533,895

The accompanying notes are an integral part of these financial statements.

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

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Capital Projects Fund	Total
Assets			
Current assets			
Cash	$ 1,019,871	$ -	$ 1,019,871
Receivable	16,570	-	16,570
Deposits	16,667	-	16,667
Total current assets	$ 1,053,108	$ -	$ 1,053,108
Noncurrent assets			
Restricted cash and cash equivalents	200,000	-	200,000
Total Assets	$ 1,253,108	$ -	$ 1,253,108
Liabilities and Fund Balances			
Current liabilities			
Accounts payable	$ 11,368	$ -	$ 11,368
Accrued salaries payable	156,440	-	156,440
Total liabilities	167,808	-	167,808
Fund Balance			
Nonspendable	16,667	-	16,667
Restricted	200,000	-	200,000
Unrestricted	868,633	-	868,633
Total fund balance	1,085,300	-	1,085,300
Total Liabilities and Fund Balance	$ 1,253,108	$ -	$ 1,253,108

The accompanying notes are an integral part of these financial statements.

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

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2026

Fund balance - Governmental Funds		$ 1,085,300
Amounts reported in the statement of net position are different because:		
Capital assets and right of use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	1,393,347	
Less accumulated depreciation	(402,606)	990,741
Right to use leased assets	3,449,240	
Less accumulated amortization	(804,823)	2,644,417
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(375)	
Capital lease payable	(3,040,089)	
Notes payable	(146,099)	(3,186,563)
Total Net position - Governmental Activities		$ 1,533,895

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Capital Projects Fund	Total
Revenues			
Federal through state	$ 6,900	$ -	$ 6,900
State	2,220,844	130,107	2,350,951
Local	519,923	-	519,923
Investment income	2,193	-	2,193
Total revenues	2,749,860	130,107	2,879,967
Expenditures			
Education			
Basic Instruction	1,095,354	-	1,095,354
Exceptional instruction	175,580	-	175,580
Instruction and curriculum development	233	-	233
Board	15,480	-	15,480
General administration	101,029	-	101,029
School administration	268,932	-	268,932
Fiscal services	31,489		31,489
Food services	4,500	-	4,500
Central services	90	-	90
Pupil personnel services	434	-	434
Pupil transportation services	29,453	-	29,453
Operation of plant	229,069	-	229,069
Maintenance of plant	82,792	-	82,792
Community services	61,756	-	61,756
Capital outlay	15,302	-	15,302
Debt service			
Principal and interest	480,350	-	480,350
Total expenditures	2,591,843	-	2,591,843
Other Financing Sources			
Transfer between funds	130,107	(130,107)	-
Total other financing sources	130,107	(130,107)	-
Net change in fund balance	288,124	-	288,124
Fund balance, beginning of year	797,176	-	797,176
Fund balance, end of year	$ 1,085,300	$ -	$ 1,085,300

The accompanying notes are an integral part of these financial statements.

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

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

FOR THE YEAR ENDED JUNE 30, 2026

Net change in fund balance - Governmental Funds		$ 288,124
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.		
Capital outlay expenditures	15,302	
Depreciation expense	(86,341)	(71,039)
Governmental funds report right to use leased assets as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization expense in the current period.		
Less current year amortization expense for right to use leased assets		(229,949)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the Statement of Net Position.		
Principal repayments on notes payable and capital leases		331,297
Change in Net Position of Governmental Activities		$ 318,433

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2026

	Custodial Funds
Assets	
Current assets	
Cash and cash equivalents	$ 7,614
Total Assets	$ 7,614
Liabilities and Net Position	
Total Liabilities	$ -
Net position	
Restricted for:	
Parent Teacher Organization	7,614
Total Net Position	$ 7,614

The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Custodial Funds
ADDITIONS	
Miscellaneous	$ 12,481
Total Additions	12,481
DEDUCTIONS	
Payments for Instructional, board and school administration activities	10,746
Total Deductions	10,746
Net increase (decrease) in fiduciary position	1,735
Net position at beginning of year	5,879
Net position at end of year	$ 7,614

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION

Sarasota Academy of the Arts, Inc. (the Charter 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 Charter School is a Board of Directors of no less than five members. The Charter 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 Charter School's curriculum emphasizes the arts encouraging students to learn, think and explore by traditional and nontraditional means.

The general operating authority of the Charter School is contained in Chapter 1002.33, Florida Statutes. The Charter 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 Charter School and the School Board. The Charter School is considered a component unit of the School Board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The basic financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental 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.

Government-Wide and Fund Financial Statements: The Charter School's basic financial statements include both government-wide (reporting on the Charter School as a whole) and fund financial statements (reporting on the General Fund only). Both the government-wide and fund financial statements present only governmental activities. The Charter School has no business-type activities.

In the government-wide Statement of Net Position, the Charter 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 Charter School's net position is 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements – Continued

The financial transactions of the Charter 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 Charter School's financial statements are governmental funds. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

General Fund – is the Charter 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 Charter School reports separately the following fiduciary fund type:

Custodial Fund – accounts for resources of the charter schools internal fund, which is used to administer monies collected by the parent teacher organization, in connection with school, student athletics, class, and club activities.

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 Charter 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues for current operations received from the School Board of Sarasota County, Florida, pursuant to the funding provisions included in the Charter 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 Charter School.

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, 2026, appropriations exceeded expenses by $278,347. Revisions, if any, to the annual budget are approved by the Board.

Cash Deposits: The Charter 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.

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.

Receivables: Management considers all amounts due from the School Board and other receivables to be fully collectible, therefore no allowance has been recorded as of June 30, 2026.

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 Charter 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, 5 years for motor vehicles, 3 to 5 years for software.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases: The Charter 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 lease 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 the lease payments made. The RTU lease assets are measured at the initial amount of the individual lease liabilities, adjusted for lease payments made at or before the lease commencement dates, plus certain initial direct cost. Subsequently, the RTU lease assets are amortized on a straight-line basis over their useful lives.

The Charter 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.

Interfund Transfers: The Charter School reports it service and capital fund expenditures in the general fund. For the year ended June 30, 2026, the capital projects fund transferred $130,107 to the general fund for current year expenditures and debt service payments.

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."

Fund Balance: Generally, fund balance represents the difference between the assets and liabilities under the current financial resource's measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Charter 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 Charter School's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Charter School removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity – Continued

- *Assigned*: This component consists of amounts that are constrained by the Charter 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 assigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance.

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.

Flow Assumptions: When both restricted and unrestricted resources are available for use, it is the Charter 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 Charter School's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Revenue Sources: Revenues for current operations are received primarily from the School Board of Sarasota County pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the Charter 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 Charter 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 Charter School during the designated full-time equivalent student survey periods.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources – Continued

The Charter 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.

Income Taxes: The Charter School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The Charter 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 Charter School has not recorded any accruals for uncertain income tax positions at June 30, 2026.

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.

Implementation of GASB Statement No. 103: During the year ended June 30, 2026, the Charter School implemented GASB Statement No. 103, Financial Reporting Model Improvements. GASB Statement No. 103 requires governments to present budgetary comparison information as required supplementary information (RSI) and requires presentation of (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts, together with explanations of significant variances in notes to required supplementary information.

The implementation of GASB Statement No. 103 resulted in additional required supplementary information disclosures relating to the Charter School's budgetary comparison schedule. The adoption of this statement did not have an impact on beginning fund balance, net position, or the change in fund balance reported in the accompanying financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of bank failure, the Charter School's deposits may not be returned. The Charter 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, 2026, the carrying amount of the Charter School's deposits was $1,224,751 and bank balances were $1,224,751. The Charter School had uninsured balances at June 30, 2026, of $724,751.

At June 30, 2026, the Charter School reported restricted cash in the amount of $200,000, as required by the School Board.

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2025	Reclass/ Additions/	Deletions	Balance June 30, 2026
Capital assets, being depreciated				
Buildings and improvements	$1,261,995	$ 12,098	$ -	$ 1,274,093
Furniture, fixtures and equipment	90,264	3,203	-	93,467
Motor vehicles	25,787	-	-	25,787
Total capital assets being depreciated	1,378,046	15,301	-	1,393,347
Less accumulated depreciation				
Buildings and improvements	210,334	84,481	-	294,815
Furniture, fixtures and equipment	80,144	1,860	-	82,004
Motor vehicles	25,787	-	-	25,787
Total accumulated depreciation	316,265	86,341	-	402,606
Capital Assets, net	$1,061,781	$ (71,040)	$ -	$ 990,741

Depreciation expense was $86,341 for the year ended June 30, 2026 and was allocated to the following governmental functions:

School administration	$ 1,860
Facilities services	84,481
Total	$ 86,341

NOTE 5 – NONCURRENT LIABILITIES

Activity for noncurrent liabilities for the year ended June 30, 2026 was as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Governmental activities					
Compensated absences	$ 375	$ -	$ -	$ 375	$ -
Notes payable	300,503	-	(154,404)	146,099	146,099
Lease liabilities	3,216,982	-	(176,893)	3,040,089	183,962
Totals	$ 3,517,860	$ -	$ (331,297)	$ 3,186,563	$ 330,061

NOTE 6 – NOTES PAYABLE

In May 2022, the Charter School entered into a loan agreement with Synovus Bank for $600,000 to help finance building renovations of the Charter 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:

June 30	Principal	Interest	Total
2027	$ 146,099	$ 6,504	$ 152,603

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 through ten; and $360,000 for years eleven through fifteen. The annual rent will increase by $1,044 for each enrolled student over 300.

Certain lease 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, 2026, 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, 2026 was $229,949.

Leased assets	$ 3,449,240
Accumulated amortization	(804,823)
Leased assets, net	$ 2,644,417

Amortization for the remaining lease term as of June 30, 2026 are as follows:

Fiscal Year Ending June 30:	Total
2027	$ 229,949
2028	229,949
2029	229,949
2030	229,949
2031	229,949
Thereafter	1,494,672
Total	$ 2,644,417

NOTE 7 – LEASES - CONTINUED

Lease Liabilities

The Charter School leases a building. As of June 30, 2026 the Charter School's lease liabilities total $3,040,089. Annual principal and interest payments due for lease payments as of June 30, 2026 are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2027	$ 183,962	$ 116,038	$ 300,000
2028	197,969	108,631	306,600
2029	212,666	100,534	313,200
2030	221,165	92,035	313,200
2031	230,004	83,196	313,200
2032-2035	1,138,402	231,398	1,369,800
2036-2038	855,921	44,079	900,000
Total	$ 3,040,089	$ 775,911	$ 3,816,000

NOTE 8 – RETIREMENT PLAN

The Charter School sponsors a defined contribution pension plan that covers all full-time employees that have met certain age and service requirements. The Charter School's contributions to the plan are $400 for 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, 2026, the Charter School's retirement plan contributions were $15,637.

NOTE 9 – RISK MANAGEMENT PROGRAMS

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

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The Charter School has evaluated subsequent events through September 22, 2026, the date the financial statements were available for issuance, and has determined that there are no additional subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2026
UNAUDITED

	Budgeted Amounts		Over /		Over /
	Original	Final	(Under)	Actual	(Under)
Revenues					
Federal through state	$ 2,800	$ 2,800	$ -	$ 6,900	$ 4,100
State	2,200,380	2,200,380	-	2,350,951	150,571
Local	552,110	552,110	-	519,923	(32,187)
Investment income	84	84	-	2,193	2,109
Total revenues	2,755,374	2,755,374	-	2,879,967	124,593
Expenses					
Current					
Basic Instruction	1,182,188	1,182,188	-	1,095,354	(86,834)
Exceptional instruction	173,091	173,091	-	175,580	2,489
Instruction and curriculum developn	1,500	1,500	-	233	(1,267)
Board	16,000	16,000	-	15,480	(520)
General administration	110,019	110,019	-	101,029	(8,990)
School administration	268,663	268,663	-	268,932	269
Fiscal services	34,510	34,510	-	31,489	(3,021)
Food services	10,008	10,008	-	4,500	(5,508)
Central services	10,500	10,500	-	90	(10,410)
Pupil personnel services	8,000	8,000	-	434	(7,566)
Pupil transportation services	48,260	48,260	-	29,453	(18,807)
Operation of plant	242,080	242,080	-	229,069	(13,011)
Maintenance of plant	61,800	61,800	-	82,792	20,992
Administrative technology	1,000	1,000	-	-	(1,000)
Community services	48,500	48,500	-	61,756	13,256
Capital outlay	-	-	-	15,302	15,302
Debt service		-			
Principal and interest	529,478	529,478	-	480,350	(49,128)
Total expenditures	2,745,597	2,745,597	-	2,591,843	(153,754)
Net change in fund balance	$ 9,777	$ 9,777	$ -	$ 288,124	$ 278,347

The accompanying notes are an integral part of these financial statements.

SARASOTA ACADEMY OF THE ARTS, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – EXPLANATION OF SIGNIFICANT VARIATIONS BETWEE ORGINAL AND FINAL BUDGETS AMOUNTS AND FINAL BUDGET AMOUNTS AND ACTUAL RESULTS

The Charter School's final budget reflected amendments made during the fiscal year to accommodate changes in operating and capital expenditure expectations. Actual results differed from the final amended budget in several functions due primarily to the following matters:

- State revenues exceeded the final budget due to new sales tax funding which was not known or available at the time the budget was prepared.

- Basic instruction expenditures were significantly lower than the final budget due fewer teachers being hired than anticipated, which resulted in lower payroll taxes and matching retirement contributions.

- The resulting positive variance in fund balance compared with the final amended budget was primarily attributable to revenues exceeding expectations combined with lower expenditures in certain operational and capital functions.

The budget was prepared on the modified accrual basis of accounting, and all annual appropriations lapse at fiscal year-end, as disclosed in the accompanying required supplementary information schedule.

Marc A. Miller, CPA*

Kelley D. Miller, CPA*

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.'s (the "Charter School"), as of, and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated September 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

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 Sarasota Academy of the Arts, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 intended 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 the 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.

Miller & Miller, P.A.

Sarasota, Florida
September 22, 2026

Marc A. Miller, CPA*

Kelley D. Miller, CPA*

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 the governmental activities and each major fund of Sarasota Academy of the Arts, Inc. (the Charter School), a Charter School and component unit of the School Board of Sarasota County, as of and for the year ended June 30, 2026, which collectively comprise Sarasota Academy of the Arts, Inc.'s basic financial statements and have issued our report thereon dated September 22, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Other Reporting Required by *Government Auditing Standards*

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 this report, which is dated September 22, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year findings or recommendations.

Official Title

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

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Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Sarasota Academy of the Arts, Inc maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the 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)4, Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and 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.

Miller & Miller, P.A.

Sarasota, Florida
September 22, 2026