

LIZA JACKSON PREPARATORY SCHOOL, INC

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023



www.warrenaverett.com

The report accompanying this deliverable was issued
by Warren Averett, LLC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Liza Jackson Preparatory School

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liza Jackson Preparatory School (the "School"), a component unit of the Okaloosa County School District, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for 12 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information (reference table of content) 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
September 27, 2023,

LIZA JACKSON PREPARATORY SCHOOL, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Liza Jackson Preparatory School, Inc. (the "School"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023, to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis ("MD&A") is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements, as listed in the table of contents.

Financial Highlights

- The School's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$1,496,102.
- The School's total net position increased by \$605,034.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balance of \$5,513,389.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,596,966.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

The School as a Whole

The information in the government-wide financial statements includes all assets plus the deferred outflow of resources and liabilities plus the deferred inflow of resources using the accrual basis of accounting (and reports depreciation on capital assets), which is similar to the basis of accounting used by most private-sector companies.

The change in net position (assets, liabilities and deferred outflows/inflows of resources) over time is one indicator of whether the School's financial health is improving or deteriorating. However, one needs to consider other nonfinancial factors in making an assessment of the School's health, such as changes in enrollment, changes in the State's funding of educational costs, changes in the economy, etc., to assess the overall health of the School.

LIZA JACKSON PREPARATORY SCHOOL, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School's assets, liabilities and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by District, State and Federal funding (governmental activities). Basic instruction, exceptional instruction and school administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the Okaloosa County School District, Florida. The Okaloosa County School District, Florida, includes the operation of the School in their operations.

The governmental-wide financial statements can be found listed on the table of contents of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**LIZA JACKSON PREPARATORY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Funds – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. The general fund and capital outlay fund are considered to be major funds. The basic governmental fund financial statements can be found listed on the table of contents in this report. The School adopts an annual appropriated budget. A budgetary comparison statement has been provided to demonstrate compliance with this budget and can be found listed in the table of contents in this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found listed on the table of contents in this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a School's financial position. In the case of the School, assets plus deferred outflow of resources exceeded liabilities plus deferred inflow of resources by \$1,486,102 and \$881,068 for the years ended June 30, 2023 and 2022, respectively.

**LIZA JACKSON PREPARATORY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Analysis – Continued

Comparison of the condensed statement of net position and the statement of activities are provided below:

	2023	Restated* 2022	Variance
ASSETS			
Current assets	\$ 6,064,288	\$ 5,321,172	\$ 743,116
Noncurrent assets	20,267,312	20,606,099	(338,787)
TOTAL ASSETS	26,331,600	25,927,271	404,329
DEFERRED OUTFLOWS OF RESOURCES	2,070,178	1,467,664	(602,514)
LIABILITIES			
Current liabilities	914,893	845,977	68,916
Noncurrent liabilities	25,719,143	23,439,815	2,279,328
TOTAL LIABILITIES	26,634,036	24,285,792	2,348,244
DEFERRED INFLOWS OF RESOURCES	281,640	2,228,075	(1,946,435)
NET POSITION			
Net investment in capital assets, net of related debt	(1,183,489)	(1,202,526)	19,037
Restricted	1,695,923	1,564,892	131,031
Unrestricted	973,668	518,702	454,966
TOTAL NET POSITION	\$ 1,486,102	\$ 881,068	\$ 605,034

**Certain components of the net position as of June 30, 2022 have been reclassified to meet current period presentation.*

The increase in current assets is primarily due to changes in unrestricted cash and equivalents and amounts due from other agencies. Noncurrent assets decreased due to the purchase of capital assets offset by current depreciation. The increase in current liabilities is mainly due to the payment of accounts payable and accrued payroll liabilities which varied in the current year. The increase in noncurrent liabilities is due primarily to a significant increase in the net pension liability. The changes in deferred outflows and inflows of resources are due to the changes in assumptions, experience, investments, employer specific changes and subsequent contributions to the measurement date. Restricted net position increased related to amounts reserved for payment of debt and capital acquisition. Unrestricted net position increased mainly due to favorable operating results.

**LIZA JACKSON PREPARATORY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Analysis – Continued

Changes in the School's revenues were as follows:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 697,512	\$ 468,121	\$ 229,391
Operating grants and contributions	1,106,365	1,257,567	(151,202)
Capital grants and contributions	525,058	1,857,228	(1,332,170)
General revenues	8,714,263	7,406,042	1,308,221
TOTAL REVENUES	<u>\$ 11,043,198</u>	<u>\$ 10,988,958</u>	<u>\$ 54,240</u>

The increase in charges for services are related to increases in student participation in the before and after school program during the year. The decrease in operating grants and contributions was due to the decreases in federal funding for lunch reimbursement and elementary and secondary school emergency relief funding. The decrease in capital grants and contributions is due mostly to decreases in in capital outlay spending. The increase in general revenues is due to increases in FTE base funding related to student enrollment.

Changes in the School's expenses were as follows:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Basic instruction	\$ 5,349,170	\$ 4,649,980	\$ 699,190
Exceptional instruction	279,133	159,466	119,667
Board of directors	51,887	42,405	9,482
School administration	742,289	911,887	(169,598)
Facilities	922,821	806,917	115,904
Fiscal services	371,171	327,449	43,722
Food services	385,635	477,532	(91,897)
Central services	48,845	26,586	22,259
Transportation	330,235	278,982	51,253
Operation of plant	697,226	621,598	75,628
Maintenance of plant	16,869	82,535	(65,666)
Administrative technology	111,212	93,884	17,328
Community services	288,512	165,826	122,686
Debt service	843,159	804,163	38,996
TOTAL EXPENSES	<u>10,438,164</u>	<u>9,449,210</u>	<u>988,954</u>
Change in net position	605,034	1,539,748	(934,714)
Net position at July 1, 2022	<u>881,068</u>	<u>(658,680)</u>	<u>1,539,748</u>
Net position at June 30, 2023	<u>\$ 1,486,102</u>	<u>\$ 881,068</u>	<u>\$ 605,034</u>

Financial Analysis of the Government's Funds

As previously noted, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

LIZA JACKSON PREPARATORY SCHOOL, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

The focus of the School's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School's governmental funds reported a combined ending fund balance \$5,513,389. The general fund is the chief operating fund of those funds which included a total amount \$3,596,966 of unassigned fund balance, which is the amount available for spending at the government's discretion.

General fund Budgetary Highlights

Budgeted revenues exceeded actual revenues by \$4,500 while budgeted expenditures exceeded actual expenditures by \$201,823 resulting in favorable budget variance of \$197,323 for the year.

The budgetary information can be found listed on the table of contents in this report.

Capital Assets

The School's net investment in capital assets, net of related debt for its governmental type activities as of June 30, 2023 amounts to \$1,183,489 deficit net position (net of related debt). This investment in capital assets includes building and equipment, property under lease, furniture, fixtures and equipment, capitalization of construction interest costs, leasehold improvements, improvements other than buildings, motor vehicles, and information technology equipment.

The deficit net investment is caused by estimated useful lives of certain assets being less than the term of the debt obligations.

Debt and Long-Term Liabilities

At the end of the current fiscal year, the School had an outstanding net pension liability of \$4,632,336 for employee's pension in the Florida Retirement System. At June 30, 2023 the School held revenue bonds series 2020 A & B in the amount of \$17,405,000 to fund the acquisition and renovation of educational facilities. The bonds will be repaid incrementally over the next 35 years. The bond was issued at a premium of \$2,810,982 with the current unamortized amount of the premium at \$2,545,501 for the year ended June 30, 2023. In relationship to the bond issuance, the School restructured the ground lease for land related to the facility. The capital lease present value of the lease obligation was issued in the amount of \$1,516,015 with the remaining balance of \$1,439,482 due as of June 30, 2023.

Economic Factor

A majority of the School's funding is determined by the number of enrolled students. The School is forecasting enrollment to remain steady at approximately 970 students for the 2023/2024 school year.

Request for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Liza Jackson Preparatory School, Inc., 1123 Hospital Rd., Fort Walton Beach, FL 32547.

LIZA JACKSON PREPARATORY SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 4,300,192
Restricted cash	1,703,052
Accounts receivable	17,867
Due from other agencies	42,677
Deposits	<u>500</u>
Total current assets	6,064,288

CAPITAL ASSETS

Capital assets, net of accumulated depreciation:

Building and fixed equipment	17,423,157
Improvements other than buildings	392,175
Property under leases	1,389,680
Furniture, fixtures and equipment	722,240
Information technology equipment	233,673
Motor vehicles	<u>45,569</u>
Total capital assets	20,206,494

NONCURRENT ASSETS

Right-of-use assets, net	<u>60,818</u>
Total noncurrent assets	<u>20,267,312</u>
Total assets	<u>26,331,600</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred assumptions, contributions, and experience	<u>2,070,178</u>
Total deferred outflows of resources	<u>2,070,178</u>

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 26,778
Accrued payroll liabilities	170,515
Due in one year, lease liabilities	17,108
Due in one year, unamortized bond premium, net	93,699
Due in one year, obligation under lease	28,187
Payable from restricted assets:	
Due in one year, bond payable	225,000
Due in one year, accrued interest payable	353,606
	<hr/>
Total current liabilities	914,893

NONCURRENT LIABILITIES

Due in more than one year, lease liabilities	43,710
Due in more than one year, bond payable	17,180,000
Due in more than one year, unamortized bond premium, net	2,451,802
Due in more than one year, obligation under lease	1,411,295
Net pension liability	4,632,336
	<hr/>
Total noncurrent liabilities	25,719,143
	<hr/>
Total liabilities	26,634,036

DEFERRED INFLOWS OF RESOURCES

Deferred change in proportion (NPL), contributions, experience and investments	281,640
	<hr/>
Total deferred inflows of resources	281,640

NET POSITION

Net investment in capital assets, net of related debt (deficit)	(1,183,489)
Restricted for:	
Debt service	1,124,446
Capital outlay	446,632
Food service program	124,845
Unrestricted	973,668
	<hr/>
TOTAL NET POSITION	\$ 1,486,102

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/program activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
Basic Instruction	\$ 5,349,170	\$ -	\$ 747,214	\$ -	\$ (4,601,956)
Exceptional services	279,133	-	103,094	-	(176,039)
Board of directors	51,887	-	-	-	(51,887)
School administration	742,289	-	26,376	-	(715,913)
Facilities	922,821	-	-	525,058	(397,763)
Fiscal services	371,171	-	-	-	(371,171)
Food services	385,635	226,675	177,737	-	18,777
Central services	48,845	-	-	-	(48,845)
Transportation	330,235	-	-	-	(330,235)
Operation of plant	697,226	-	51,944	-	(645,282)
Maintenance of plant	16,869	-	-	-	(16,869)
Administrative technology	111,212	-	-	-	(111,212)
Community service	288,512	470,837	-	-	182,325
Debt service	843,159	-	-	-	(843,159)
Total governmental activities	<u>10,438,164</u>	<u>697,512</u>	<u>1,106,365</u>	<u>525,058</u>	<u>(8,109,229)</u>
General revenues					
Florida education finance program					8,528,489
Federal impact aid					103,232
Other revenues					<u>82,542</u>
Total general revenues					8,714,263
CHANGE IN NET POSITION					605,034
NET POSITION AT BEGINNING OF YEAR					<u>881,068</u>
NET POSITION AT END OF YEAR					<u><u>\$ 1,486,102</u></u>

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2023

	General	Debt Service	Capital Outlay Fund	Special Revenue Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,771,392	\$ -	\$ 446,632	\$ 82,168	\$ 4,300,192
Restricted cash	-	1,703,052	-	-	1,703,052
Accounts receivable	17,867	-	-	-	17,867
Due from other agencies	-	-	-	42,677	42,677
Deposits	500	-	-	-	500
TOTAL ASSETS	\$ 3,789,759	\$ 1,703,052	\$ 446,632	\$ 124,845	\$ 6,064,288
LIABILITIES					
Accounts payable	\$ 21,778	\$ 5,000	\$ -	\$ -	\$ 26,778
Accrued payroll liabilities	170,515	-	-	-	170,515
Payable from restricted assets:					
Accrued interest payable	-	353,606	-	-	353,606
Total liabilities	192,293	358,606	-	-	550,899
FUND BALANCE					
Nonspendable					
Deposits	500	-	-	-	500
Restricted	-	1,344,446	446,632	124,845	1,915,923
Unassigned	3,596,966	-	-	-	3,596,966
Total fund balance	3,597,466	1,344,446	446,632	124,845	5,513,389
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,789,759	\$ 1,703,052	\$ 446,632	\$ 124,845	\$ 6,064,288

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Fund balance, total governmental funds		\$ 5,513,389
Capital assets used in governmental activities are not financial resources and therefore are not reported in Fund balance, total governmental funds		
Right-of-use assets	\$ 60,818	
Capital assets	21,894,082	
Accumulated depreciation/amortization	<u>(1,687,588)</u>	20,267,312
Deferred amounts are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources but are not reported in the funds.		1,788,538
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(4,632,336)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Lease liabilities	(60,818)	
Bonds payable	(17,405,000)	
Unamortized bond premium, net	(2,545,501)	
Obligations under lease	<u>(1,439,482)</u>	<u>(21,450,801)</u>
Net position of governmental activities		<u><u>\$ 1,486,102</u></u>

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Capital Capital Outlay Fund	Special Revenue Funds	Total Governmental Funds
REVENUES					
Federal passed through state and local	\$ 103,039	\$ -	\$ -	\$ 918,033	\$ 1,021,072
State passed through local school district	7,622,469	-	525,057	1,186	8,148,712
Other revenues	509,946	43,434	1,093,359	226,675	1,873,414
Total revenues	8,235,454	43,434	1,618,416	1,145,894	11,043,198
EXPENDITURES					
Current					
Basic Instruction	4,998,456	-	-	560,068	5,558,524
Exceptional services	173,334	-	-	103,094	276,428
Board of directors	51,887	-	-	-	51,887
School administration	704,674	-	-	26,376	731,050
Facilities	63,350	60,000	319,428	-	442,778
Fiscal services	367,339	-	-	-	367,339
Food services	-	-	-	379,084	379,084
Central services	48,394	-	-	-	48,394
Transportation	301,840	-	-	-	301,840
Operation of plant	687,537	-	-	-	687,537
Maintenance of plant	16,869	-	-	-	16,869
Administrative technology	106,122	-	-	-	106,122
Community service	234,314	-	-	51,944	286,258
Debt service	-	1,090,386	-	-	1,090,386
Total expenditures	7,754,116	1,150,386	319,428	1,120,566	10,344,496
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	481,338	(1,106,952)	1,298,988	25,328	698,702

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund	Capital Capital Outlay Fund	Special Revenue Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 1,153,779	\$ -	\$ -	\$ 1,153,779
Transfers out	-	-	(1,153,779)	-	(1,153,779)
Total other financing sources (uses)	-	1,153,779	(1,153,779)	-	-
NET CHANGE IN FUND BALANCE	481,338	46,827	145,209	25,328	698,702
FUND BALANCE AT BEGINNING OF YEAR	3,116,128	1,297,619	301,423	99,517	4,814,687
FUND BALANCE AT END OF YEAR	<u>\$ 3,597,466</u>	<u>\$ 1,344,446</u>	<u>\$ 446,632</u>	<u>\$ 124,845</u>	<u>\$ 5,513,389</u>

See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balance – governmental funds	\$	698,702
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds do not report capital assets on the balance sheet; however, they are reported in the government-wide financial statements. Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated/amortized over the estimated useful lives of the assets.

Capital outlay	376,146	
Provision for depreciation	(698,373)	(322,227)

Some expenses reported in the Statement of Activities require the use of current financial resources and therefore are reported as expenditures in governmental funds.

Pension expense	(112,705)	(112,705)
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The issuance of long-term debt (e.g. bonds, notes payable, capital leases) provide current fiscal resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Payment of principal	220,000	
Amortization of bond premium	93,699	
Payment of long-term ground lease	27,565	
Amortization of the right-of-use asset	(16,561)	
Payment of lease principal	16,561	341,264

Change in net position of governmental activities	\$	605,034
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See notes to the financial statements.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Liza Jackson Preparatory School, Inc. (the "School"), is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter School provides educational services to students of grades K-9. The governing body of the School is the Board of Directors, which is composed of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The school operates under a charter of the sponsoring school district, which is the Okaloosa County School District, Florida (the "District"). The current charter is effective until June 30, 2036, and the term can be automatically renewed on a month-to-month basis until the Charter has been renewed, non-renewed or terminated by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the Okaloosa County District School Board. The financial information presented is that of Liza Jackson Preparatory School, Inc. only.

Government-wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business-type activities.

Net position, the difference between assets, liabilities and deferred outflows/inflows of resources, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions and capital grants and contributions.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-wide and Fund Financial Statements – Continued

Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. Four of the School's funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

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 recognized in the period earned, and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter to be used 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 current fiscal period.

When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures and other financing sources and uses.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund – is the general operating fund of the School and is used to account for all resources not required to be accounted for in another fund.

Capital Outlay Fund – in accordance with guidelines established by the Okaloosa County District School Board. This fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

Debt Service Fund – to account for the resources accumulated and payments made for principal and interest on revenue bonds.

Special Revenue Fund – to account for type of revenues that are legally restricted to being spent for a specific purpose (except for expendable trusts or major capital projects). The special revenue fund primarily includes food service special revenues of \$404,412 and expenses of \$379,084. The fund balance of the special revenue fund is for food service in the amount of \$124,845. The remaining activity is for Elementary and Second School Emergency Relief (ESSER) funds.

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash on hand at the School and checking and money market accounts held at a financial institution.

Accounts Receivable

The School's accounts receivable consist of receivables from service programs and amounts due from other agencies. After reviewing the individual account balances, the School's management has determined, based on prior experience, that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

Interfund Activity

Activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Transfers are used to move unrestricted general fund revenues to finance programs (i.e., national school lunch program) that the School must account for in other funds. During the year, the capital outlay funds transferred \$1,153,779 to the debt service fund. This primarily represents half cent sales tax funding used to service debt on capital acquisitions.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values 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 assets lives are not capitalized.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

Assets Class	Estimated Useful Lives
Buildings and equipment	10-50 Years
Property under lease	10-35 Years
Capitalization of construction interest cost	10-30 Years
Improvements other than buildings	10-15 Years
Leasehold improvements	5-15 Years
Furniture, fixtures and equipment	5-10 Years
Motor vehicles	5-Years
Information technology equipment	3-10 Years

Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District 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 District.

Under the provisions of Section 1011.62, Florida Statutes the District reports the number of FTE students and related data to the Florida Department of Education ("FDOE") for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimate amounts.

Income Taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The School recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position.

Examples of tax positions include the tax-exempt status of the School and various positions related to the potential sources of unrelated business taxable income. The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all of its tax positions are more likely than not to be sustained upon examination. The School files Form 990 in the U.S. federal jurisdiction.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance – amounts that are not spendable (such as inventory and prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest-level action to remove or change the constraint.

Assigned fund balance – amounts the School intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose. No other fund except the General Fund can report positive amounts of unassigned fund balance.

The School would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budget

An operating budget is adopted and maintained by the governing board of the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements.

Subsequent Events

The School has evaluated subsequent events through September 27, 2023, the date which the financial statements were available for issuance; and has determined that no material events occurred that would require additional disclosure in the financial statements.

2. CASH AND CASH EQUIVALENTS

Cash is made up of deposits and cash on hand totaling \$6,044,335 at June 30, 2023. The School holds \$1,703,052 of cash balance as restricted for amounts to debt services. The School's deposits must be placed with a financial institution designated by the Treasurer of the State of Florida as a "qualified public depository," as defined in Chapter 280, Florida Statutes. The School deposits are held with a qualified depository and are covered by the collateral pool as the School has identified itself as a public entity. As of June 30, 2023, there was \$2,058,434 of the School's balances held exposed to custodial credit risk. Restricted cash balances are not held with a qualified public depository as they are held by a Trust Company.

The School participates in the Florida Cooperative Liquid Asset Securities System (FLCLASS). This investment pool is a stable NAV Government Investment Pool established under Section 218.415, Florida Statutes; and is an intergovernmental investment authorized pursuant to the Florida Interlocal Cooperation Act of 1969. The School's investment in FLCLASS totals \$2,029,836 and is reported at amortized cost, which is not materially different from fair value. FLCLASS has a dollar weighted average days to maturity "WAM" of 28 days as of March 31, 2023. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at March 31, 2023 is 60 days. There are no restrictions on redemptions. FLCLASS is rated by Standard and Poors. The current rating is AAAM. The pool is not subject to custodial credit risk.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

3. CAPITAL ASSETS

Changes in capital assets activity were as follows:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Governmental activities				
Capital assets being depreciated:				
Building and equipment	\$ 18,449,307	\$ 81,016	\$ (11,749)	\$ 18,518,574
Improvements other than buildings	350,317	93,487	-	443,804
Property under lease	1,516,015	-	-	1,516,015
Furniture, fixture and equipment	1,039,269	6,635	(37,678)	1,008,226
Information technology equipment	82,361	192,729	-	275,090
Motor vehicles	130,094	2,279	-	132,373
Total capital assets depreciated	<u>21,567,363</u>	<u>376,146</u>	<u>(49,427)</u>	<u>21,894,082</u>
Less accumulated depreciation/amortization				
Building and equipment	(613,306)	(493,860)	11,749	(1,095,417)
Property under lease	(83,020)	(43,315)	-	(126,335)
Furniture, fixture and equipment	(230,916)	(92,748)	37,678	(285,986)
Improvements other than buildings	(21,098)	(30,531)	-	(51,629)
Motor vehicles	(62,384)	(24,420)	-	(86,804)
Information technology equipment	(27,918)	(13,499)	-	(41,417)
Total accumulated depreciation	<u>(1,038,642)</u>	<u>(698,373)</u>	<u>49,427</u>	<u>(1,687,588)</u>
Total capital assets , net	<u>\$ 20,528,721</u>	<u>\$ (322,227)</u>	<u>\$ -</u>	<u>\$ 20,206,494</u>

Depreciation expense for the year ended June 30, 2023, was charged to functions of the School as follows

Governmental activities

Facilities	\$ 661,181
Transportation	24,563
Operation of plant	1,123
Basic instruction	6,546
Administrative technology	2,385
Food services	2,043
School administration	532
Total depreciation/amortization expense – governmental activities	<u>\$ 698,373</u>

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4. LONG-TERM LIABILITIES

Bonds Payable at June 30, 2023, are as follows:

Bond Type	Amount Outstanding	Interest Rate	Annual Maturity To
Revenue bonds:			
Series 2020A	\$ 17,385,000	4.0-5.0 percent	2055
Series 2020B	20,000	3.0 percent	2023
Plus: Unamortized bond premium	<u>2,545,501</u>		
Total bonds payable	<u><u>\$ 19,950,501</u></u>		

Revenue Bonds Series 2020A and 2020B

On August 1, 2020, the School issued tax- exempt educational facilities revenue bonds, series 2020A for \$17,385,000 and taxable educational facilities revenue bonds, series 2020B for \$240,000 secured by the mortgage on the School's property and buildings. The bonds were issued to finance the construction, improvement, installation and equipment purchase of the new educational facility as well as transportation equipment for the educational population of the School.

Series 2020A bonds are term bonds paying semi-annually at rates ranging from 4% to 5% with the maturities starting August 1, 2030 and ending August 1, 2055. Series 2020B bonds are term bonds paying interest semi-annually at a rate of 3% and principal payments semi-annually with maturities starting August 1, 2021 and ending August 1, 2023.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4. LONG-TERM LIABILITIES – CONTINUED

As required by the bond resolution, the School has established a sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account for the purpose of paying the mandatory required redemption of principal and interest on maturity dates.

The School is required to disclose its debt service coverage ratio and days cash on hand as described in the loan agreement. The School's debt service coverage ratio was 1.8 to 1, and the days cash on hand was greater than 45 days being 163 days.

The long-term liability activity for the year ended June 30, 2023, was as follows.

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balances	Due Within One Year
Bond Payable	\$ 17,625,000	\$ -	\$ 220,000	\$ 17,405,000	\$ 225,000
Plus unamortized premiums	2,639,200	-	93,699	2,545,501	93,699
Total Bond Payables	20,264,200	-	313,699	19,950,501	318,699
Total Governmental Activities	\$ -	\$ -	\$ 313,699	\$ 19,950,501	\$ 318,699

The current portion of accrued interest payable is \$353,606 at June 30, 2023.

Annual payment requirements to amortize all bonded debt outstanding as of June 30, 2023, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2024	\$ 1,069,250	\$ 225,000	\$ 844,250
2025	1,070,150	235,000	835,150
2026	1,080,350	255,000	825,350
2027	1,079,950	265,000	814,950
2028	1,079,150	275,000	804,150
2029-2033	5,377,775	1,540,000	3,837,775
2034-2038	5,368,750	1,950,000	3,418,750
2039-2043	5,347,000	2,480,000	2,867,000
2044-2048	5,343,000	3,180,000	2,163,000
2049-2053	5,317,625	4,055,000	1,262,625
2054-2055	3,170,625	2,945,000	225,625
Plus: Unamortized premium	2,545,501	2,545,501	-
	<u>\$ 37,849,126</u>	<u>\$ 19,950,501</u>	<u>\$ 17,898,625</u>

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4. LONG-TERM LIABILITIES – CONTINUED

On August 1, 2020, the School restructured the ground lease with the City of Fort Walton Beach, Florida under the issuance of educational facility bond, series A & B. The present value of future lease payment related to the lease obligation issued was \$1,516,015. The lease has a starting monthly principal and interest payment of \$5,000 from September 15, 2020 to May 15, 2031, with a step increase on June 15, 2031 to May 15, 2046, for payments of \$5,250 and a final step increase on June 15, 2046 to July 15, 2055, for payment of \$5,513 maturing on July 15, 2055. During the year, the School made principal payments of \$27,565 and interest payments of \$32,435 with an ending balance for obligation under lease of \$1,439,481 and the current portion of the lease obligation of \$28,187.

As of June 30, 2023, the annual requirements to amortize the lease obligation outstanding are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2024	\$ 60,000	\$ 28,187	\$ 31,813
2025	60,000	28,822	31,178
2026	60,000	29,471	30,529
2027	60,000	30,135	29,865
2028	60,000	30,814	29,186
2029-2033	60,000	31,508	28,492
2034-2038	309,250	178,079	131,171
2039-2043	315,000	205,350	109,650
2044-2048	315,000	229,548	85,452
2049-2053	324,712	266,642	58,070
2054-2056	407,927	380,926	27,001
Total	<u>\$ 2,031,889</u>	<u>\$ 1,439,482</u>	<u>\$ 592,407</u>

5. CONCENTRATIONS

As stated in Note 1, the School receives revenues for current operations primarily from the State of Florida through the local school district. Approximately 67% of the School's revenues were passed through the Okaloosa School District for the year ending June 30, 2023. A significant reduction in the level of this funding could have an adverse effect on the School.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

6. LEASE LIABILITIES, RIGHT-OF-USE-ASSETS AND OPERATING LEASES

Lease Liabilities – Right-of-Use

The School entered into leases for copiers for use in the School. The leases are noncancellable 60-month terms. The leases have nonrenewable clauses, and the copier reverts to the lessor at the end of the lease. The payment schedule for reducing the lease liabilities is as follows:

	Start Date	July 1, 2022	Additions/ Interest Paid	Principal Paid	Totals June 30, 2023	Current Portion of Lease Liabilities
Copier	8/11/2021	\$ 77,379	\$ -	\$ 16,561	\$ 60,818	\$ 17,108
Totals		<u>\$ 77,379</u>	<u>\$ -</u>	<u>\$ 16,561</u>	<u>\$ 60,818</u>	<u>\$ 17,108</u>

Right-of-Use-Assets

In relationship to the lease liabilities, the School chooses to amortize the lease assets on a straight-line basis. Changes in right-of-use assets are presented in the table below:

Right-of-Use Assets	July 1, 2022	Additions	Decreases	June 30, 2023
Copiers	\$ 90,775	\$ -	\$ -	\$ 90,775
Total right-of-use assets				
being amortized	<u>90,775</u>	<u>-</u>	<u>-</u>	<u>90,775</u>
Less accumulated amortization				
Copiers	<u>13,396</u>	<u>-</u>	<u>16,561</u>	<u>29,957</u>
Total accumulated amortization	<u>13,396</u>	<u>-</u>	<u>16,561</u>	<u>29,957</u>
Total right-of-use assets				
being amortized, net	<u>\$ 77,379</u>	<u>\$ -</u>	<u>\$ 16,561</u>	<u>\$ 60,818</u>

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING

Florida Retirement System

General Information – Each qualified and participating employee of the School is included in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”).

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Description

The pension plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits under the pension plan are computed on the basis of age, average final compensation and service credit. For pension plan members enrolled before July 1, 2011, regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Florida Retirement System – Continued

Pension Description – Continued

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Funding Policy

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature.

These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2021 through June 30, 2022, were as follows: Regular – 9.10%; Senior Management Service – 27.29%; and DROP participants – 16.68%. These employer contribution rates include 1.66% HIS Plan.

Pension, liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

The School's contributions, including employee contributions, to the pension plan totaled \$444,303 for the fiscal year ended June 30, 2023.

At June 30, 2023, the School reported a liability of \$3,284,603 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The School's proportionate share of the net pension liability was based on the School's 2021-2022 fiscal year contributions relative to the 2020-2021 fiscal year contributions of all participating members. At June 30, 2023, the School's proportionate share was 0.008827670 percent, which was an increase of 0.001 percent from its proportionate share measured as of June 30, 2021.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Florida Retirement System – Continued

Pension, liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

For the fiscal year ended June 30, 2023, the School recognized pension expense of \$548,935. In addition, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,000	\$ -
Change in assumptions	404,513	-
Net difference between projected and actual earnings on Pension Plan investments	216,882	-
Changes in proportion and differences between School Pension Plan contributions and proportionate share of contributions	467,663	33,518
School Pension Plan contributions subsequent to the measurement date	444,303	-
	<u>\$ 1,689,361</u>	<u>\$ 33,518</u>

The deferred outflows of resources related to the Pension Plan, totaling \$444,303, resulting from School contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2023	\$ 284,454
2024	175,785
2025	48,226
2026	648,361
2027	54,714
	<u>\$ 1,211,540</u>

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Florida Retirement System – Continued

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumption. Applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption for the based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.6%	2.6%	1.1%
Fixed income	19.80%	4.4%	4.4%	3.2%
Global equity	54.00%	8.8%	73.0%	17.8%
Real estate (property)	10.30%	7.4%	6.3%	15.7%
Private equity	11.10%	12.0%	8.9%	26.3%
Strategic investments	3.80%	6.2%	5.9%	7.8%
	<u>100.00%</u>			
Assumed Inflation- mean			2.4%	1.2%

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Florida Retirement System – Continued

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the School's proportionate share of the net pension liability calculated using the discount rate of (6.70%), as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.80%)
School's proportionate share of net pension liability	<u>\$ 5,680,494</u>	<u>\$ 3,284,603</u>	<u>\$ 1,281,352</u>

Pension Plan Fiduciary Net Position

Detailed information regarding the FRS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

The School reported zero for outstanding contributions to the FRS plan required for the fiscal year ended June 30, 2023.

Health Insurance Subsidiary

Plan Description

The HIS plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Funding Policy

The HIS plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active RS members. For the fiscal year ended June 30, 2023, the HIS contribution for the period July 1, 2021 through June 30, 2022 was 1.66%. The School contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The School's contributions to the HIS Plan totaled \$82,514 for the fiscal year ended June 30, 2023.

Pension, Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the School reported a liability of \$1,347,733 for its proportionate share of the HIS plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The School's proportionate share of the net pension liability was based on the School's 2021-2022 fiscal year contributions relative to the 2020-2021 fiscal year contributions of all participating members. At June 30, 2022, the School's proportionate share was 0.012724550 percent, which was a increase of 0.001 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School recognized pension expense of \$92,023. In addition, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,907	\$ 5,930
Change in assumptions	77,253	208,493
Net difference between projected and actual earnings on Pension Plan investments	1,951	-
Changes in proportion and differences between School Pension Plan contributions and proportionate share of contributions	178,192	33,699
School Pension Plan contributions subsequent to the measurement date	82,514	-
	<u>\$ 380,817</u>	<u>\$ 248,122</u>

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

**Pension, Liabilities, Pension Expense and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions – Continued**

The deferred outflows of resources related to the HIS plan, totaling \$82,514 resulting from School contributions to the HIS plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2023	\$ (2,847)
2024	11,952
2025	24,052
2026	19,207
2027	364
Thereafter	(2,548)
	<u><u>\$ 50,180</u></u>

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.54%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

LIZA JACKSON PREPARATORY SCHOOL, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. EMPLOYEE RETIREMENT SYSTEMS COST SHARING – CONTINUED

Discount rate

The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the School's proportionate share of the net pension liability calculated using the discount rate of (3.54%), as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
School's proportionate share of net pension liability	<u>\$ 1,541,917</u>	<u>\$ 1,347,733</u>	<u>\$ 1,187,050</u>

Pension plan fiduciary net position

Detailed information regarding the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report

Payables to the pension plan

The School reported zero for outstanding contributions to the HIS plan required for the fiscal year ended June 30, 2023.

8. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Under the policy for property insurance, the School's liability is \$2,500 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2023. Settled claims resulting for the risks described above have not exceeded the insurance coverage for each of the prior three years.

REQUIRED SUPPLEMENTARY INFORMATION

LIZA JACKSON PREPARATORY SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
FOR THE YEAR ENDED JUNE 30, 2023

FLORIDA RETIREMENT SYSTEM

	<u>School's proportion of the net pension liability (asset)</u>	<u>School's proportionate share of the net pension liability (asset)</u>	<u>School's covered employee payroll</u>	<u>School's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as at percentage of the total pension liability</u>
2022	0.008827670%	\$ 3,284,603	\$ 5,091,111	64.52%	82.89%
2021	0.007818708%	590,612	4,644,213	12.72%	96.40%
2020	0.006630330%	2,873,683	3,986,280	72.09%	78.85%
2019	0.006659699%	2,293,508	4,070,689	56.34%	82.61%
2018	0.006870412%	2,069,404	3,802,006	54.43%	84.26%
2017	0.007118555%	2,105,621	3,990,775	52.76%	83.89%
2016	0.007556502%	1,908,023	3,622,711	52.67%	84.88%
2015	0.007828833%	1,011,199	3,674,222	27.52%	92.00%
2014	0.007259346%	442,927	3,720,407	11.91%	96.09%

HEALTH INSURANCE SUBSIDY

	<u>School's proportion of the net pension liability (asset)</u>	<u>School's proportionate share of the net pension liability (asset)</u>	<u>School's covered employee payroll</u>	<u>School's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as at percentage of the total pension liability</u>
2022	0.011250724%	\$ 1,347,733	\$ 5,091,111	26.47%	4.81%
2021	0.012724550%	1,380,070	4,644,213	29.72%	3.56%
2020	0.107770540%	1,315,861	3,986,280	33.01%	3.00%
2019	0.010959532%	1,226,262	4,070,689	30.12%	2.63%
2018	0.011032317%	1,167,673	3,802,006	30.71%	2.15%
2017	0.011413905%	1,220,427	3,990,775	30.58%	1.64%
2016	0.011850482%	1,584,464	3,622,711	43.74%	0.97%
2015	0.011703526%	1,193,576	3,674,222	32.49%	0.50%
2014	0.011292724%	1,055,897	3,720,407	28.38%	0.99%

See notes to the required supplementary information.

**LIZA JACKSON PREPARATORY SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL'S PENSION CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
FOR THE YEAR ENDED JUNE 30, 2023**

FLORIDA RETIREMENT SYSTEM

	Contractually required contribution	Contributions in relation to the contractually required contribution	Covered employee payroll	Contributions as a percentage of covered employee payroll
2022	\$ 444,303	\$ 444,303	\$ 5,091,111	8.73%
2021	376,693	(376,693)	590,612	63.78%
2020	297,859	297,859	3,986,280	7.47%
2019	220,296	220,296	4,070,689	5.41%
2018	206,499	206,499	3,802,006	5.43%
2017	195,801	195,801	3,990,775	4.91%
2016	185,314	185,314	3,622,711	5.01%
2015	184,277	184,277	3,674,222	5.02%
2014	190,874	190,874	3,720,407	5.13%

HEALTH INSURANCE SUBSIDY

	Contractually required contribution	Contributions in relation to the contractually required contribution	Covered employee payroll	Contributions as a percentage of covered employee payroll
2022	\$ 84,512	\$ 84,512	\$ 5,091,111	1.66%
2021	76,994	(76,994)	4,644,213	1.66%
2020	66,132	66,132	3,986,280	1.66%
2019	62,103	62,103	4,070,689	1.53%
2018	60,857	60,857	3,802,006	1.60%
2017	59,829	59,829	3,990,775	1.50%
2016	60,406	60,406	3,622,711	1.67%
2015	60,741	60,741	3,674,222	1.65%
2014	44,738	44,737	3,720,407	1.20%

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Originals	Finals		
Revenue				
FEFP	\$ 7,337,337	\$ 7,417,132	\$ 7,417,132	\$ -
Lead teacher funds	17,857	17,998	17,998	-
Class-size reductions	-	193	193	-
Safety and security	-	7,213	7,213	-
Teacher salary increase allocation	77,393	-	-	-
Miscellaneous fund raising	20,000	9,000	8,606	394
School recognition	-	179,933	179,933	-
Federal impact aid funds	86,141	103,039	103,039	-
Before and after school programs	430,000	471,000	470,837	163
Donations	5,000	2,000	(1,631)	3,631
Interest on investments	1,000	31,000	30,679	321
Sale of assets	-	1,000	1,000	-
E-rate	-	446	455	(9)
Total revenues	7,974,728	8,239,954	8,235,454	4,500
Expenditures				
Salaries	5,020,000	5,200,000	5,157,913	42,087
Retirement	595,000	595,000	571,558	23,442
Social security	390,915	405,450	388,569	16,881
Group insurance	560,000	540,000	535,432	4,568
Worker's compensation	20,000	32,206	21,332	10,874
Unemployment compensation	3,000	3,000	1,202	1,798
Accounting services	12,500	12,500	11,095	1,405
Computer service	18,910	18,910	17,084	1,826
Staff development	13,000	13,000	7,600	5,400
SRO	57,930	57,930	57,930	-
Legal services	5,000	5,000	2,150	2,850
Staff development others	6,000	2,500	-	2,500
Miscellaneous contract services	3,000	3,000	2,577	423
Insurance	76,000	76,000	73,839	2,161
Travel	2,500	15,000	14,665	335
Repairs and maintenance	30,000	10,000	2,103	7,897
Instrument repairs	1,500	1,500	990	510
Maintenance agreements	22,000	20,200	16,284	3,916
Bus maintenance	35,000	25,000	13,618	11,382
Inspections and fire extinguisher	6,200	6,200	5,536	664
Lease-copier	23,000	26,500	26,023	477
Lease-storage facility	7,018	7,793	7,793	-
Rent-miscellaneous	500	1,500	693	807

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Originals</u>	<u>Finals</u>		
Postage	\$ 3,000	\$ 3,100	\$ 3,039	\$ 61
Telephone	6,500	7,500	6,153	1,347
Cellphones	4,500	4,500	4,112	388
Internet	9,200	10,200	9,615	585
Water/sewer	11,000	11,000	9,526	1,474
Garbage	15,000	20,000	17,913	2,087
Printing	6,000	1,000	7	993
Pest control	2,500	3,500	3,150	350
Security monitoring	1,200	2,000	1,146	854
Lawn service	34,000	33,000	31,215	1,785
Cleaning services	109,890	109,000	108,747	253
Other non-professional services	1,000	3,500	2,759	741
Natural gas	3,100	3,600	3,234	366
Electricity	110,000	120,000	109,969	10,031
Gas-buses	50,000	42,000	37,627	4,373
Supplies	110,000	140,000	133,349	6,651
Instructional materials	125,000	100,000	92,384	7,616
Library-reference books	2,000	2,000	647	1,353
Equipment	10,000	13,000	9,132	3,868
Computer equipment	5,000	7,500	7,079	421
Improvements	-	63,350	63,350	-
Software	32,000	30,000	27,478	2,522
Fees	24,000	28,000	27,581	419
Field trip after care	-	20,000	10,188	9,812
Substitutes	90,000	100,000	98,730	1,270
Total expenditures	7,673,863	7,955,939	7,754,116	201,823
Net change in fund balance	300,865	284,015	481,338	(197,323)
Fund balance at July 1, 2022	3,116,128	3,116,128	3,116,128	-
Fund balance at June 30, 2023	\$ 3,416,993	\$ 3,400,143	\$ 3,597,466	\$ (197,323)

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Originals	Final		
Revenues				
Interest on investments	\$ 100	\$ 44,000	\$ 43,434	\$ (566)
Total revenues	100	44,000	43,434	(566)
Expenditures				
Lease-land	60,000	60,000	60,000	-
Payment of principal	224,583	220,000	220,000	-
Payment of interest	849,200	851,950	849,202	2,748
Fees	19,863	21,184	21,184	-
Total expenditures	1,153,646	1,153,134	1,150,386	2,748
Other financing sources (uses)				
Transfers in/out	1,155,113	1,155,113	1,153,779	1,334
Total other financing sources	1,155,113	1,155,113	1,153,779	1,334
Net change in fund balance	1,567	45,979	46,827	848
Fund balances at July 1, 2022	1,091,349	1,297,619	1,297,619	-
Fund balance at June 30, 2023	1,092,916	1,343,598	1,344,446	848

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL OUTLAY
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Originals	Final		
Revenues				
Charter school capital outlay	\$ 505,000	\$ 523,696	\$ 525,057	\$ 1,361
Safety and Security Grant	13,000	13,000	-	(13,000)
Local infrastructure sales tax	983,701	1,050,834	1,050,725	(109)
Sales Tax County Commission	42,634	42,634	42,634	-
Total revenues	1,544,335	1,630,164	1,618,416	(11,748)
Expenditures				
Insurance	169,812	169,812	169,812	-
Maintenance and repairs	-	20,000	18,364	1,636
Furniture and equipment	20,000	20,000	17,847	2,153
Bus purchase	25,000	-	-	-
Building and fixed equipment	25,000	100,000	81,016	18,984
Improvements	25,000	50,000	32,389	17,611
Total expenditures	264,812	359,812	319,428	40,384
Excess (deficiency) of revenues over (under) expenditures	1,279,523	1,270,352	1,298,988	28,636
Other financing sources (uses)				
Transfers in/out	(1,155,113)	(1,155,113)	(1,153,779)	1,334
Total other financing sources and (uses)	(1,155,113)	(1,155,113)	(1,153,779)	1,334
Net change in fund balance	124,410	115,239	145,209	29,970
Fund balances at July 1, 2022	301,423	301,423	301,423	-
Fund balance at June 30, 2023	\$ 425,833	\$ 416,662	\$ 446,632	\$ 29,970

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – SPECIAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Originals	Final		
Revenues				
ESSER	\$ 741,482	\$ 741,482	\$ 741,482	\$ -
Food service program	404,412	404,412	404,412	-
Total revenues	1,145,894	1,145,894	1,145,894	-
Expenditures				
Salaries	550,000	523,665	352,984	170,681
Retirement	61,041	60,720	28,424	32,296
Social security	42,075	29,585	26,745	2,840
Group insurance	18,215	43,204	15,659	27,545
Unemployment compensation	350	350	84	266
Maintenance and repairs	-	2,500	1,338	1,162
Other non-professional services	10,000	2,082	1,719	363
Supplies	14,869	10,742	2,871	7,871
Instructional materials	-	16,331	15,876	455
Snacks	280,000	300,000	293,526	6,474
Furniture and equipment	308,975	328,425	308,524	19,901
Software	140,733	159,202	72,060	87,142
Fees	-	500	422	78
Substitutes	-	1,000	334	666
Total expenditures	1,426,258	1,478,306	1,120,566	357,740
Net change in fund balance	(280,364)	(332,412)	25,328	357,740
Fund balances at July 1, 2022	109,040	99,517	99,517	99,517
Fund balance at June 30, 2023	\$ (171,324)	\$ (232,895)	\$ 124,845	\$ 357,740

See notes to the required supplementary information.

LIZA JACKSON PREPARATORY SCHOOL, INC.
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE A – SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

1. Ten-year trend

GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, the School is presenting information for only those years for which information is available for the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) plans.

2. Fiduciary net position

The FRS and HIS plans' fiduciary net position as a percentage of the total pension liability is published in the FRS Comprehensive Annual Financial Report (See FRS CAFR information).

NOTE B – SCHEDULE OF CONTRIBUTION

Ten-year trend

GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, the School is presenting information for only those years for which information is available for the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) plans.

NOTE C – BUDGETARY INFORMATION

The School's annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United State of America. Annual budgets are adopted for the general and capital outlay funds and may be amended by the School's Board of Directors (the "Board"). The budgets presented for the fiscal year ended June 30, 2023, have been amended according to Board Procedures.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the object level.

COMPLIANCE INFORMATION

**LIZA JACKSON PREPARATORY SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass- Through Entity Identifying	Expenditures	Pass- Through to Sub- recipients
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services				
School Breakfast Programs	10.553	18002	\$ 26,449	\$ -
National School Lunch Programs	10.555	18001, 18003	150,102	-
			<u>176,551</u>	<u>-</u>
Special Education Cluster				
United States Department of Education				
Florida Department of Education				
Special Education -				
Grants to States - ARP	84.027	263	<u>13,269</u>	<u>-</u>
Education Stabilization Fund				
United States Department of Education				
Florida Department of Education				
COVID-19 Education Stabilization Fund -				
Elementary and Secondary School				
Emergency Relief (ESSER) Fund	84.425D	124	3,000	-
COVID-19 Education Stabilization Fund -				
American Rescue Plan - Elementary and				
Secondary School Emergency				
Relief (ARP ESSER)	84.425U	12	<u>725,214</u>	<u>-</u>
			<u>728,214</u>	<u>-</u>
United States Department of Education:				
Impact Aid	84.041	N/A	<u>103,039</u>	<u>-</u>
			<u>103,039</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,021,073</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

**LIZA JACKSON PREPARATORY SCHOOL, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE A - BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2023. Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

NOTE C - DE MINIMIS INDIRECT COST RATE ELECTION

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

**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
Liza Jackson Preparatory School, Inc.
Fort Walton Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Liza Jackson Preparatory School, Inc. (the "School"), a component unit of the Okaloosa County School District, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 27, 2023.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

September 27, 2023
Pensacola, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

To the Board of Directors
Liza Jackson Preparatory School, Inc.
Fort Walton Beach, Florida

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited Liza Jackson Preparatory School, Inc. (the "School"), a component unit of the Okaloosa County School District, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the School's major federal program for the year ended June 30, 2023. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Warren Averett, LLC

September 27, 2023
Pensacola, Florida

**LIZA JACKSON PREPARATORY SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I - SUMMARY FOR AUDITORS' RESULTS

Financial Statements

Type of auditors report issued		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	No
Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	No

Type of auditors' report issued on compliance for major programs:		Unmodified		
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• Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a):	_____	Yes	X	No
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Identification of Major Federal Program:

Name of Program or Cluster		Assistance Listing No.		
US Department of Education				
Education Stabilization Fund (ESF)				84.425
Dollar threshold used to distinguish between Type A and Type B programs:			\$	750,000
Auditee qualified as federal low-risk auditee?	_____	Yes	X	No

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE

No matters were reported.

MANAGEMENT LETTER

To the Board of Directors
Liza Jackson Preparatory School, Inc.
Fort Walton Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Liza Jackson Preparatory School, Inc. (the "School"), a component unit of the Okaloosa County School District, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 27, 2023.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 27, 2023, 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. In connection with our audit, the School did not have prior year findings.

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 the school code assigned by the Florida Department of Education of the entity are *Liza Jackson Preparatory School, Inc.; 9807*.

Financial Condition and Management

Sections 10.854(1)(e)2. And 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the 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 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 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 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 School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

September 27, 2023
Pensacola, Florida

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the years ended June 30, 2023 and 2022, there were no audit findings, recommendations or responses.