

# South Tech Preparatory Academy, Inc.

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2024

## South Tech Preparatory Academy, Inc.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
South Tech Preparatory Academy, Inc.  
Boynton Beach, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities and each major fund of South Tech Preparatory Academy, Inc. (the "School") as of and for the year ended June 30, 2024, 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 and each major fund of the School as of June 30, 2024, and the respective changes in its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

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.

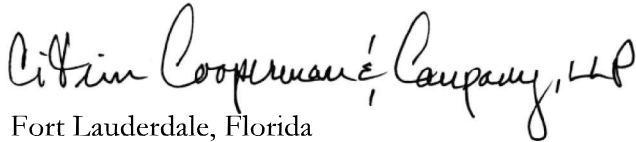
***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, the budgetary comparison schedules - general fund and special revenue fund on pages 29 through 30, and the schedules related to the pension plan on pages 31 through 34 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, 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 the School's internal control over financial reporting and compliance.



Fort Lauderdale, Florida  
September 27, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of South Tech Preparatory Academy (the "Schools"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities and performance for the year ended June 30, 2024, with certain comparative information for 2023.

Our discussion is included at the beginning of the School's basic financial statements to provide, in layman's terms, the current position of the School's financial condition. This summary should not be taken as a replacement for the audit which consists of the basic financial statements. Please read it in conjunction with the School's financial statements which immediately follow this discussion.

### **Financial Highlights**

The following are highlights of financial activity for the year ended June 30, 2024:

- As of June 30, 2024, the School's governmental fund balances totaled \$ 5,579,546, as compared to \$ 2,986,119 as of June 30, 2023.
- As of June 30, 2024, the School has net position of \$ 3,689,922, as compared to \$ 1,802,736 as of June 30, 2023.
- The School's total revenues were \$ 9,001,118 which consists of \$ 4,535,760 from FTE nonspecific revenues, \$ 2,089,002 from tax referendum revenues, \$ 387,481 from contributions and other nonspecific revenues, \$ 1,531,699 from operating grants and contributions, and \$ 457,176 from capital grants and contributions. The School's expenses for the year were \$ 7,113,932. Net position for the year increased by \$ 1,887,186.

### **Overview of the Financial Statements**

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

**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 inflows/outflows of resources, with the difference between the components 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 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 revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 9 and 10 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. The School only has one category of 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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating the School's near-term financing requirements.

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 governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide 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 the governmental fund statement of revenues, expenditures and changes in fund balances. The General and Special Revenue Funds are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General and Special Revenue Funds to demonstrate compliance with the budgets adopted for each.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

**Notes to Basic 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 basic financial statements can be found on pages 15 through 28 of this report.

**Required supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results and schedules relating to the School's Pension Plan. Required supplementary information can be found on pages 29 through 34 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 3,689,922 at the close of the most recent fiscal year.

A portion of the School's net position reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

**South Tech Preparatory Academy, Inc.  
Management's Discussion and Analysis  
June 30, 2024**

Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance, unrestricted, may be used to meet the School's ongoing obligations. The following table reflects the condensed government-wide statement of net position as of the current and prior year end:

South Florida Preparatory Academy Net Position			
	2024	2023	Variance
Current and other assets	\$ 5,852,389	\$ 3,219,837	\$ 2,632,552
Capital assets, net	<u>6,872,607</u>	<u>7,142,365</u>	<u>(269,758)</u>
Total assets	<u>12,724,996</u>	<u>10,362,202</u>	<u>2,362,794</u>
Deferred outflows of resources	<u>1,012,275</u>	<u>1,034,702</u>	<u>(22,427)</u>
Current liabilities	418,538	332,718	85,820
Noncurrent liabilities	<u>9,341,700</u>	<u>9,047,489</u>	<u>294,211</u>
Total liabilities	<u>9,760,238</u>	<u>9,380,207</u>	<u>380,031</u>
Deferred inflows of resources	<u>287,111</u>	<u>213,961</u>	<u>73,150</u>
Net Position:			
Net investment in capital assets	(67,927)	102,814	(170,741)
Restricted	31,089	62,296	(31,207)
Unrestricted	<u>3,726,760</u>	<u>1,637,626</u>	<u>2,089,134</u>
Total net position	<u>\$ 3,689,922</u>	<u>\$ 1,802,736</u>	<u>\$ 1,887,186</u>

Current and other assets rose due to an increase in the School's cash position. Capital assets, net of depreciation, decreased due to depreciation and amortization exceeding additions by \$ 269,758. Depreciation and amortization was \$ 298,676 for the current year. Current and noncurrent liabilities increased by approximately \$ 380,000 mainly due to timing of payments at year-end and changes in the pension plan assumptions.

**Governmental activities:** The School's overall net position increased by \$ 1,887,186 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

South Florida Preparatory Academy Changes in Net Position			
	2024	2023	Variance
<b>Revenues:</b>			
Program revenues:			
Operating grants and contributions	\$ 1,531,699	\$ 1,095,063	\$ 436,636
Capital grants and contributions	457,176	509,308	(52,132)
General revenues:			
FTE nonspecific revenues	4,535,760	4,423,987	111,773
Tax referendum revenues	2,089,002	664,871	1,424,131
Contributions and other nonspecific revenues	<u>387,481</u>	<u>281,443</u>	<u>106,038</u>
Total revenues	<u>9,001,118</u>	<u>6,974,672</u>	<u>2,026,446</u>

**South Tech Preparatory Academy, Inc.  
Management's Discussion and Analysis  
June 30, 2024**

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	<u>2024</u>	<u>2023</u>	<u>Variance</u>
<b>Expenses:</b>			
Instruction	3,581,138	3,207,421	373,717
Pupil personnel services	560,444	464,630	95,814
Instructional staff training	110,450	42,290	68,160
Instructional-related technology	14,027	11,420	2,607
Board expenditures	25,480	31,081	(5,601)
General administration	180,605	198,149	(17,544)
School administration	641,122	595,046	46,076
Fiscal services	109,006	113,731	(4,725)
Central services	96,034	95,978	56
Student transportation services	473,486	425,212	48,274
Operation and maintenance of plant	833,827	655,306	178,521
Administrative technology services	109,852	95,933	13,919
Interest expense	378,461	354,793	23,668
	<u>7,113,932</u>	<u>6,290,990</u>	<u>822,942</u>
Total expenses			
Change in net position	1,887,186	683,682	1,203,504
<b>Net Position, beginning</b>	<u>1,802,736</u>	<u>1,119,054</u>	<u>683,682</u>
<b>Net Position, ending</b>	<u>\$ 3,689,922</u>	<u>\$ 1,802,736</u>	<u>\$ 1,887,186</u>

General revenues compared to the previous year increased due to a large increase in tax referendum funds received. Total expenses increased due to the added costs of additional instructional and operation and maintenance staff.

**Governmental Funds Financial Analysis**

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 5,179,754, an increase of \$ 2,596,100 for the year. The overall General Fund balance increased by \$ 2,593,427. The increase was due to a large increase in tax referendum funds received. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 106.56% of total General Fund expenditures, while total fund balance represents 114.78% of that same amount.

The Special Revenue Fund does not have an increase or decrease in fund balance during the fiscal year, as this fund reports federal and certain state expenditure reimbursement grants.

**Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2024, the School had capital assets of \$ 6,872,607, net of accumulated depreciation and amortization, invested in building, audio visual and computer software, furniture, and building improvements.

Major capital asset additions for the year included \$ 20,928 for furniture and \$ 7,990 for building improvements. Additional information on the School's capital assets can be found in Note 6 of this report.

### **Capital Assets and Debt Administration (continued)**

**Debt:** At June 30, 2024, the School had debt of \$ 6,940,534, as compared to \$ 7,039,551 at June 30, 2023. This amount is comprised of the lease for the School's facility, and decreased as a result of scheduled lease payments. More information can be found in Note 7 of this report.

### **General Fund Budgetary Highlights**

Total Revenues were favorable to the budget by approximately \$2,010,000. This was mostly due to the school year 2020 and 2021 tax referendum settlement with the School District of Palm Beach County, as well as allocation increases for State FEFP, industry certification, tax referendum funding and interest rate increases not budgeted for.

Total expenditures were favorable to the budget by \$310,739.

### **Economic Factors**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in the year 2025 is the impact on expenses if Federal and/or State allocations are not received as expected.

### **Requests for Information**

This financial report is designed to provide a general overview of South Tech Preparatory Academy, Inc. for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the South Tech Preparatory Academy, Inc.; 1325 Gateway Boulevard, Boynton Beach, FL 33426.

# BASIC FINANCIAL STATEMENTS

**South Tech Preparatory Academy, Inc.**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash	\$ 5,264,018
Due from government agencies	25,521
Due from related party	369,413
Prepaid items	106,037
Total current assets	<u>5,764,989</u>
<b>Noncurrent Assets:</b>	
Deposits	87,400
Capital assets (depreciable and amortizable), net of net of accumulated depreciation and amortization	6,872,607
Total noncurrent assets	<u>6,960,007</u>
Total assets	<u>12,724,996</u>
<b>Deferred Outflows of Resources:</b>	
Pension related	1,012,275
Total assets and deferred outflows of resources	<u>13,737,271</u>
<b>Current Liabilities:</b>	
Accounts payable	56,071
Accrued liabilities	216,772
Accrued interest payable	28,732
Long term liabilities, due in less than one year	116,963
Total current liabilities	<u>418,538</u>
<b>Noncurrent Liabilities:</b>	
Long term liabilities, due in more than one year	6,888,895
Net pension liability	2,452,805
Total noncurrent liabilities	<u>9,341,700</u>
Total liabilities	9,760,238
<b>Deferred Inflows of Resources:</b>	
Pension related	287,111
Total liabilities and deferred inflows of resources	<u>10,047,349</u>
<b>Net Position:</b>	
Net investment in capital assets	(67,927)
Restricted referendum funds	31,089
Unrestricted	3,726,760
Total net position	<u>\$ 3,689,922</u>

See accompanying notes to financial statements.

**South Tech Preparatory Academy, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net Revenue (Expense) and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>					
Governmental activities:					
Instruction	\$ 3,581,138	\$ -	\$ 1,160,836	\$ 15,010	\$ (2,405,292)
Pupil personnel services	560,444	-	244,785	-	(315,659)
Instructional staff training	110,450	-	80,506	-	(29,944)
Instructional-related technology	14,027	-	-	-	(14,027)
Board expenditures	25,480	-	-	-	(25,480)
General administration	180,605	-	-	-	(180,605)
School administration	641,122	-	5,008	-	(636,114)
Fiscal services	109,006	-	-	-	(109,006)
Central services	96,034	-	-	-	(96,034)
Student transportation services	473,486	-	-	-	(473,486)
Operation and maintenance of plant	833,827	-	40,564	92,437	(700,826)
Administrative technology services	109,852	-	-	-	(109,852)
Interest expense	378,461	-	-	349,729	(28,732)
	<u>7,113,932</u>	<u>-</u>	<u>1,531,699</u>	<u>457,176</u>	<u>(5,125,057)</u>
Total governmental activities	\$ <u>7,113,932</u>	\$ <u>-</u>	\$ <u>1,531,699</u>	\$ <u>457,176</u>	<u>(5,125,057)</u>
General revenues:					
					4,535,760
					2,089,002
					<u>387,481</u>
					<u>7,012,243</u>
					1,887,186
					<u>1,802,736</u>
					\$ <u>3,689,922</u>

See accompanying notes to financial statements.

**South Tech Preparatory Academy, Inc.**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash	\$ 5,264,018	\$ -	\$ 5,264,018
Due from government agencies	25,521	-	25,521
Due from related party	369,413	-	369,413
Prepaid items	106,037	-	106,037
Deposits	87,400	-	87,400
	<u>5,852,389</u>	<u>-</u>	<u>5,852,389</u>
Total assets	\$ <u>5,852,389</u>	\$ <u>-</u>	\$ <u>5,852,389</u>
<b>Liabilities:</b>			
Accounts payable	\$ 56,071	\$ -	\$ 56,071
Accrued liabilities	216,772	-	216,772
	<u>272,843</u>	<u>-</u>	<u>272,843</u>
Total liabilities	<u>272,843</u>	<u>-</u>	<u>272,843</u>
<b>Fund Balances:</b>			
Nonspendable:			
Prepaid items	106,037	-	106,037
Deposits	87,400	-	87,400
Restricted for referendum funds	31,089	-	31,089
Assigned - student activities	175,266	-	175,266
Unassigned	5,179,754	-	5,179,754
	<u>5,579,546</u>	<u>-</u>	<u>5,579,546</u>
Total fund balances	<u>5,579,546</u>	<u>-</u>	<u>5,579,546</u>
Total liabilities and fund balances	\$ <u>5,852,389</u>	\$ <u>-</u>	\$ <u>5,852,389</u>

See accompanying notes to financial statements.

**South Tech Preparatory Academy, Inc.**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**

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**Total Fund Balances - Governmental Funds** \$ 5,579,546

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the governmental fund statements. The statement of net position includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.

Cost of capital assets	\$ 7,835,155	
Accumulated depreciation and amortization	<u>(962,548)</u>	6,872,607

Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the governmental fund statements.

Net pension liability	(2,452,805)	
Deferred pension outflows	1,012,275	
Deferred pension inflows	<u>(287,111)</u>	(1,727,641)

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable	(28,732)	
Compensated absences	(65,324)	
Lease payable	<u>(6,940,534)</u>	<u>(7,034,590)</u>

**Net Position of Governmental Activities** \$ 3,689,922

See accompanying notes to financial statements.

**South Tech Preparatory Academy, Inc.**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Federal sources	\$ -	\$ 1,546,709	\$ 1,546,709
State sources	4,977,926	-	4,977,926
Local sources	2,476,483	-	2,476,483
	<u>7,454,409</u>	<u>1,546,709</u>	<u>9,001,118</u>
<b>Expenditures:</b>			
Current:			
Instruction	2,059,083	1,160,836	3,219,919
Pupil personnel services	254,982	244,785	499,767
Instructional staff training	26,085	80,506	106,591
Instructional-related technology	14,027	-	14,027
Board expenditures	24,105	-	24,105
General administration	171,611	-	171,611
School administration	572,915	5,008	577,923
Fiscal services	98,754	-	98,754
Central services	90,810	-	90,810
Student transportation services	447,117	-	447,117
Operation and maintenance of plant	539,038	40,564	579,602
Administrative technology services	99,801	-	99,801
Capital outlay	13,908	15,010	28,918
Debt service:			
Principal	99,017	-	99,017
Interest	349,729	-	349,729
	<u>4,860,982</u>	<u>1,546,709</u>	<u>6,407,691</u>
Net change in fund balances	2,593,427	-	2,593,427
<b>Fund Balances, July 1, 2023</b>	<u>2,986,119</u>	<u>-</u>	<u>2,986,119</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 5,579,546</u>	<u>\$ -</u>	<u>\$ 5,579,546</u>

See accompanying notes to financial statements.

**South Tech Preparatory Academy, Inc.  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances - Governmental  
Funds to the Statement of Activities  
For the Year Ended June 30, 2024**

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**Net Change in Fund Balances - Governmental Funds** \$ 2,593,427

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets depreciated over their estimated useful lives as a provision for depreciation.

Expenditures for capital assets	\$ 28,918	
Less: current year depreciation and amortization	<u>(298,676)</u>	(269,758)

Certain changes related to pension assets and liabilities are not reported in the net change in the governmental funds.

Change in deferred outflows	(22,427)	
Change in deferred inflows	<u>(73,150)</u>	(95,577)

Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.

99,017

Certain items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund statements.

Change in accrued interest payable	(28,732)	
Change in compensated absences	(6,558)	
Change in the net pension liability	<u>(404,633)</u>	<u>(439,923)</u>

**Change in Net Position of Governmental Activities** \$ 1,887,186

See accompanying notes to financial statements.

## **Note 1 - Organization and Operations**

South Tech Preparatory Academy, 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 228.056, Florida Statutes. The School commenced operations in July 2013 and offers classes for grades six through eight in the City of Boynton Beach, Florida. Five hundred and twenty four (524) students were enrolled in classes when the school year ended June 30, 2024.

## **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The School operates under a charter granted by the sponsoring School Board, the School Board of Palm Beach County, Florida. The current charter is effective through June 30, 2029. At the end of the term of the charter, the Board may choose not to renew the charter under grounds specified in the charter, in which case the Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the Board may also terminate the charter if good cause is shown.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable, which would require inclusion in the School's financial statements.

**Basis of presentation:** The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Government-wide financial statements:** Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net position resulting from the current year's activities.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Fund financial statements:** Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School reports the following major funds:

General Fund – This fund is employed in accounting for all the operating activities of the School except those required to be accounted for in another fund.

Special Revenue Fund – This fund is used to account for federal grants that are legally restricted to expenditures for particular purposes.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets – represents the difference between the cost of any capital assets, less accumulated depreciation reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvements of those assets, if any.

Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Unrestricted – indicates that portion of net position that can be used for future operations.

**Fund balance:** The School has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

Nonspendable – amounts that are not in spendable form (such as prepaid items and deposits) or are legally or contractually required to be maintained intact.

Restricted – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation. At year-end, certain referendum funds are restricted by the School District for specific operational initiatives.

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

**Note 2 - Summary of Significant Accounting Policies (continued)**

Assigned – amounts the School intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the School's body or any delegated authority at their direction.

Unassigned – amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School Board or its delegated official or body has provided otherwise in its commitment or assignment actions.

**Measurement focus and basis of accounting:** Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund basic financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Cash:** The School defines cash equivalents as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. As of June 30, 2024, the School had no cash equivalents.

**Due from government agencies:** Amounts due to the School by governments or agencies are for grants or programs under which the services have been provided by the School.

**Prepaid items:** Certain payments to vendors reflect cost applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital assets:** Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 1,000 and useful life of over one year. Donated capital assets are valued at their acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Building improvements	10 years
Audio visual and computer software	3-5 years
Furniture	3-5 years

The School has recorded a right to use lease asset, as required by GAAP. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease as noted above.

**Compensated absences:** Compensated absences (i.e., paid absences for employee vacation leave and sick leave) are recorded as expenditures in governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employees.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2024, the School had deferred outflows of \$ 1,012,275, in relation to the net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2024, the School had deferred inflows of \$ 287,111, in relation to the net pension liability.

**Unearned revenue:** Unearned revenue arises when the School receives resources before it has a legal claim to them.

**Grant and contract revenue:** Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred.

**Revenue recognition:** Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements and is net of a 5% administration fee retained by the School Board. This funding is received on a prorata basis over the twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

**Income taxes:** The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)3 of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Use of estimates:** The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts disclosures. Accordingly, actual results could differ from those estimates.

**Date of management's review:** Subsequent events have been evaluated by management through September 27, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Budgets**

The School legally adopted budgets for the General and Special Revenue Funds by function for the year ended June 30, 2024. The budgets have been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the final budgeted amounts for the General Fund and Special Revenue Fund are presented as required supplementary information.

**Note 4 - Deposits**

At June 30, 2024, the total carrying amount of the School's cash balances was \$ 5,264,018. The bank balance at local depositories was \$ 5,265,487.

State statute require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds.

The minimal collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits of \$ 5,015,487 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

**Note 5 - Contingencies and Commitments**

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School places all insurance risk, less nominal deductibles, in the hands of commercial carriers. At the present time, management believes that any claims the School may have are insured and that any expense associated with them will not materially affect the financial position of the School.

**South Tech Preparatory Academy, Inc.**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 6 - Capital Assets**

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, being depreciated:				
Audio visual and computer software	\$ 271,235	\$ -	\$ 1,575	\$ 269,660
Furniture	84,118	20,928	-	105,046
Building improvements	160,924	7,990	-	168,914
	<u>516,277</u>	<u>28,918</u>	<u>1,575</u>	<u>543,620</u>
Total capital assets, being depreciated				
Accumulated depreciation:				
Audio visual and computer software	163,554	49,455	1,575	211,434
Furniture	56,114	18,006	-	74,120
Building improvements	16,865	16,758	-	33,623
	<u>236,533</u>	<u>84,219</u>	<u>1,575</u>	<u>319,177</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>279,744</u>	<u>(55,301)</u>	<u>-</u>	<u>224,443</u>
Lease assets:				
Building	7,291,535	-	-	7,291,535
Less accumulated amortization for:				
Building	428,914	214,457	-	643,371
	<u>6,862,621</u>	<u>(214,457)</u>	<u>-</u>	<u>6,648,164</u>
Total lease assets, being amortized, net				
Net capital assets	<u>\$ 7,142,365</u>	<u>\$ (269,758)</u>	<u>\$ -</u>	<u>\$ 6,872,607</u>

The provision for depreciation and amortization for the year ended June 30, 2024 amounted to \$ 298,676, of which \$ 231,215 was allocated to plant operations, \$ 60,715 was allocated to instruction and \$ 6,746 was allocated to school administration. As part of the School's charter contract, all capital assets purchased with public funds will automatically revert to the district school board upon the non-renewal or termination of the contract.

**Note 7 - Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2024	Due In One Year
Lease payable	\$ 7,039,551	\$ -	\$ 99,017	\$ 6,940,534	\$ 96,963
Compensated absences	58,766	104,181	97,623	65,324	20,000
Net pension liability	2,048,172	404,633	-	2,452,805	-
	<u>\$ 9,146,489</u>	<u>\$ 508,814</u>	<u>\$ 196,640</u>	<u>\$ 9,458,663</u>	<u>\$ 116,963</u>

**Note 7 - Long-Term Liabilities (continued)**

**Lease payable:** Previously, the School entered into a lease agreement with South Tech Charter Academy, Inc. (“STA”) (Note 8) for the rental of its facility through June 2055. The School has imputed interest on this lease at 5.00%, based primarily on the long-term bond rate STA incurred to purchase the facility. In addition to regular lease payments, the School pays common area maintenance amounts monthly, which are not included in the lease’s measurement since these amounts are adjusted annually. At June 30, 2024, the outstanding balance of this capital lease amounted to \$ 6,940,534.

The lease agreement details events of default, mainly failure to pay, remain solvent, or abandonment of the premises. Upon event of default, STA may demand payment for amounts outstanding or terminate the School’s lease with proper notice.

Future approximate payments required under this lease at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 97,000	\$ 345,000	\$ 442,000
2026	102,000	340,000	442,000
2027	105,000	335,000	440,000
2028	112,000	330,000	442,000
2029	119,000	324,000	443,000
2030-2034	674,000	1,522,000	2,196,000
2035-2039	877,000	1,329,000	2,206,000
2040-2044	1,126,000	1,081,000	2,207,000
2045-2049	1,450,000	761,000	2,211,000
2050-2054	1,850,000	352,000	2,202,000
2055	428,000	12,000	440,000
Total	\$ <u>6,940,000</u>	\$ <u>6,731,000</u>	\$ <u>13,671,000</u>

**Note 8 - Related Party Transactions**

The School is related to STA through common board members. At June 30, 2024, the School has money due from STA in the amount of \$ 369,413, representing reimbursements of certain shared expenditures. In addition, as discussed in Note 7, the School has a lease agreement with STA for the rental of the facility in which the School resides. STA had previously purchased the facility and executed a lease with South Tech School Holdings, LLC (“Holdings”). Holdings was created as a Florida not for profit 501(c)(3) corporation to further the charitable and educational purposes of its sole member, which is STA. STA also acts as the fiscal agent for the School on all grant contracts with the State of Florida Department of Education, from whom the School received \$ 1,546,709 during the year ended June 30, 2024.

**Note 9 - Florida Retirement System**

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“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 and/or FRS Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”), and a defined contribution pension plan (“Investment Plan”).

**Note 9 - Florida Retirement System (continued)**

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 by calling (844) 377-1888 or by visiting the Web site: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Pension Plan:**

Plan 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 Provided - 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. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 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.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' 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 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary. As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual cost-of living adjustment is three percent per year.

**Note 9 - Florida Retirement System (continued)**

The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 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 96 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.

Contributions - 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, 2023 through June 30, 2024, were as follows: Regular - 13.57%; Special Risk Administrative Support – 39.82%; Special Risk - 32.67%; Senior Management Service – 34.52%; Elected Officers’ – 58.68%; and DROP participants - 21.13%. These employer contribution rates include 3.00% HIS Plan subsidy for the periods from July 1, 2023 through June 30, 2024. During the year ended June 30, 2024, the School contributed \$ 181,442 to the Pension Plan.

**HIS Plan:**

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.

Benefits Provided - For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 45 and a maximum HIS payment of \$ 225 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.

Contributions - The HIS Plan is funded by required contributions from FRS participating employer’s asset by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the HIS contribution was 3.00%. 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. During the year ended June 30, 2024, the School contributed \$ 90,001 to the HIS Plan.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2024, the School reported liabilities of \$ 1,303,041 for its proportionate share of the FRS Plan’s net pension liability and \$ 1,149,764 for its proportionate share of the HIS Plan’s net pension liability for a total net pension liability of \$ 2,452,805. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The School’s proportion of the net pension liability was based on a projection of the School’s 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members.

**Note 9 - Florida Retirement System (continued)**

At June 30, 2023, the measurement date, the School's proportion was 0.00327012% for the FRS plan and 0.00723972% for the HIS plan, which were a decrease of 0.00030200% and an increase of 0.00045077%, respectively, from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$ 385,602 for the FRS Plan and \$ 448,137 for the HIS Plan for a total pension expense of \$ 833,739.

At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	FRS Plan	HIS Plan	Total
Differences between expected and actual experience	\$ 164,715	\$ 16,832	\$ 181,547
Changes of assumptions	114,361	30,227	144,588
Net difference between projected and actual earnings on pension plan investments	73,265	594	73,859
Changes in proportion and differences between School contributions and proportionate share of contributions	130,413	76,539	206,952
School contributions subsequent to the measurement date	<u>393,169</u>	<u>12,160</u>	<u>405,329</u>
Total	<u>\$ 875,923</u>	<u>\$ 136,352</u>	<u>\$ 1,012,275</u>

	Deferred Inflows of Resources		
	FRS Plan	HIS Plan	Total
Differences between expected and actual experience	\$ -	\$ 2,699	\$ 2,699
Changes of assumptions	-	99,631	99,631
Changes in proportion and differences between School contributions and proportionate share of contributions	<u>120,935</u>	<u>63,846</u>	<u>184,781</u>
Total	<u>\$ 120,935</u>	<u>\$ 166,176</u>	<u>\$ 287,111</u>

**Note 9 - Florida Retirement System (continued)**

Deferred outflows of resources related to the Pension Plan, totaling \$ 405,329 related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending June 30, 2025.

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:

Year Ended June 30,	FRS Plan	HIS Plan	Total
2025	\$ 60,314	\$ (1,157)	\$ 59,157
2026	\$ (14,486)	\$ (2,170)	\$ (16,656)
2027	\$ 298,458	\$ (13,874)	\$ 284,584
2028	\$ 15,843	\$ (13,972)	\$ 1,871
2029	\$ 1,690	\$ (8,963)	\$ (7,273)
Thereafter	\$ -	\$ (1,848)	\$ (1,848)

**Actuarial Assumptions:** The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136(10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan.

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018

**Long-term Expected Rate of Return:** 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 is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

**Note 9 - Florida Retirement System (continued)**

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 (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.4%

(1) As outlined in the Pension Plan's investment policy

**Discount Rate:** The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. 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 calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the total pension liability was 3.65% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's 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 Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.65% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the School's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:** The following table represents sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis, below, shows the impact of the School's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023.

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
School's proportionate share of the net pension liability for FRS Plan	\$ 2,225,859	\$ 1,303,041	\$ 530,993

**Note 9 - Florida Retirement System (continued)**

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
School's proportionate share of the net pension liability for HIS Plan	\$ <u>1,311,701</u>	\$ <u>1,149,764</u>	\$ <u>1,015,529</u>

**Investment Plan:**

The SBA (State Board of Administration) administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. School employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates, that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2023-2024 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

<u>Class</u>	<u>Allocation Rate</u>
Elected Officials	16.34%
Senior Management	12.37%
Special Risk	19.00%
Regular Employees	11.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the School.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options.

**Note 9 - Florida Retirement System (continued)**

Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The School's pension expense for the Investment Plan totaled \$ 172,557 for the fiscal year ended June 30, 2024.

**Note 10 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring district. The School's CSCO award totaled \$ 311,621 for the 2023/2024 school year, which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay for the interest expense on its lease, and a portion of the operation and maintenance of plant.

Local Capital Improvement Revenue ("LCIR") funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School's LCIR Award totaled \$ 130,545 for the 2023/2024 school year, which has been recognized as revenue in the accompanying financial statements.

REQUIRED SUPPLEMENTARY  
INFORMATION

**South Tech Preparatory Academy, Inc.**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources	\$ 4,555,804	\$ 4,555,804	\$ 4,977,926	\$ 422,122
Local sources	887,958	887,958	2,476,483	1,588,525
Total revenues	<u>5,443,762</u>	<u>5,443,762</u>	<u>7,454,409</u>	<u>2,010,647</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,345,811	2,345,811	2,059,083	286,728
Pupil personnel services	195,012	195,012	254,982	(59,970)
Instructional staff training	30,112	30,112	26,085	4,027
Instructional-related technology	15,292	15,292	14,027	1,265
Board expenditures	35,573	35,573	24,105	11,468
General administration	162,646	162,646	171,611	(8,965)
School administration	603,396	603,396	572,915	30,481
Fiscal services	103,856	103,856	98,754	5,102
Central services	98,036	98,036	90,810	7,226
Student transportation services	528,478	528,478	447,117	81,361
Operation and maintenance of plant	964,872	964,872	539,038	425,834
Administrative technology services	88,637	88,637	99,801	(11,164)
Capital outlay	-	-	13,908	(13,908)
Debt service:				
Principal	-	-	99,017	(99,017)
Interest	-	-	349,729	(349,729)
Total expenditures	<u>5,171,721</u>	<u>5,171,721</u>	<u>4,860,982</u>	<u>310,739</u>
Net change in fund balance	<u>\$ 272,041</u>	<u>\$ 272,041</u>	<u>\$ 2,593,427</u>	<u>\$ 2,321,386</u>

**South Tech Preparatory Academy, Inc.**  
**Budgetary Comparison Schedule - Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>Revenues:</b>				
Education stabilization fund	\$ 865,325	\$ 865,325	\$ 584,207	\$ (281,118)
Title I funds	169,216	169,216	514,544	345,328
School improvement grant	-	-	189,452	189,452
IDEA grant revenues	129,250	129,250	145,020	15,770
Title II funds	28,368	28,368	71,142	42,774
Title IV funds	13,084	13,084	31,889	18,805
Title III funds	5,784	5,784	9,538	3,754
Perkins grant	-	-	917	917
	<u>1,211,027</u>	<u>1,211,027</u>	<u>1,546,709</u>	<u>335,682</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
Instruction	908,901	908,901	1,160,836	(251,935)
Pupil personnel services	191,659	191,659	244,785	(53,126)
Instructional staff training	63,034	63,034	80,506	(17,472)
School administration	3,921	3,921	5,008	(1,087)
Operation and maintenance of plant	31,760	31,760	40,564	(8,804)
Capital outlay	11,752	11,752	15,010	(3,258)
	<u>1,211,027</u>	<u>1,211,027</u>	<u>1,546,709</u>	<u>(335,682)</u>
<b>Total expenditures</b>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**South Tech Preparatory Academy, Inc.  
Schedule of Proportionate Share of Net Pension Liability  
Florida Retirement System  
Last 10 Fiscal Years  
(Unaudited)**

Fiscal year:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
South Tech Preparatory Academy, Inc.'s proportion of the net pension liability	0.00088776%	0.00172829%	0.00143620%	0.00165945%	0.00175787%	0.00219662%	0.00208618%	0.00012154%	0.00357212%	0.00327012%
South Tech Preparatory Academy, Inc.'s proportionate share of the net pension liability	\$ 54,165	\$ 166,289	\$ 362,654	\$ 490,855	\$ 527,674	\$ 767,791	\$ 914,604	\$ 9,181	\$ 1,329,114	\$ 1,303,041
South Tech Preparatory Academy, Inc.'s covered payroll	\$ 507,016	\$ 1,249,889	\$ 1,732,814	\$ 1,720,201	\$ 1,900,090	\$ 741,156	\$ 781,688	\$ 1,408,990	\$ 1,360,574	\$ 1,728,436
South Tech Preparatory Academy, Inc.'s proportionate share of the net pension liability as a percentage of its covered payroll	10.68%	13.30%	20.93%	28.53%	27.77%	103.59%	117.00%	0.65%	97.69%	75.39%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%

**South Tech Preparatory Academy, Inc.  
Schedule of Proportionate Share of Net Pension Liability  
Health Insurance Subsidy Program  
Last 10 Fiscal Years  
(Unaudited)**

Fiscal year:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Measurement date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
South Tech Preparatory Academy, Inc.'s proportion of the net pension liability	0.00148866%	0.00289250%	0.00267747%	0.00292762%	0.00300767%	0.00377679%	0.00349852%	0.00018596%	0.00678895%	0.00723972%
South Tech Preparatory Academy, Inc.'s proportionate share of the net pension liability	\$ 139,193	\$ 148,628	\$ 312,059	\$ 312,875	\$ 320,308	\$ 411,165	\$ 432,026	\$ 22,811	\$ 719,058	\$ 1,149,764
South Tech Preparatory Academy, Inc.'s covered payroll	\$ 507,016	\$ 1,249,889	\$ 1,732,814	\$ 1,720,201	\$ 1,900,090	\$ 1,164,550	\$ 1,240,192	\$ 2,469,998	\$ 2,291,393	\$ 3,000,045
South Tech Preparatory Academy, Inc.'s proportionate share of the net pension liability as a percentage of its covered payroll	27.45%	11.89%	18.01%	18.19%	16.86%	35.31%	34.84%	0.92%	31.38%	38.32%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%

**South Tech Preparatory Academy, Inc.  
Schedule of Contributions  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years  
(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 42,137	\$ 35,097	\$ 43,199	\$ 50,098	\$ 68,111	\$ 68,547	\$ 80,216	\$ 160,803	\$ 138,505	\$ 181,442
Contributions in related to the contractually required contribution	(42,137)	(35,097)	(43,199)	(50,098)	(68,111)	(68,547)	(80,216)	(160,803)	(138,505)	(181,442)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Tech Preparatory Academy, Inc.'s covered payroll	\$ 507,016	\$ 1,249,889	\$ 1,732,814	\$ 1,720,201	\$ 1,900,090	\$ 741,156	\$ 781,688	\$ 1,408,990	\$ 1,360,574	\$ 1,728,436
Contributions as a percentage of covered payroll	8.31%	2.81%	2.49%	2.91%	3.58%	9.25%	10.26%	11.41%	10.18%	10.50%

**South Tech Preparatory Academy, Inc.  
Schedule of Contributions  
Retiree Health Insurance Subsidy Program  
Last 10 Fiscal Years  
(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 11,057	\$ 13,724	\$ 15,494	\$ 16,503	\$ 20,972	\$ 19,332	\$ 20,587	\$ 41,002	\$ 38,037	\$ 90,001
Contributions in related to the contractually required contribution	(11,057)	(13,724)	(15,494)	(16,503)	(20,972)	(19,332)	(20,587)	(41,002)	(38,037)	(90,001)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Tech Preparatory Academy, Inc.'s covered payroll	\$ 507,016	\$ 1,249,889	\$ 1,732,814	\$ 1,720,201	\$ 1,900,090	\$ 1,164,550	\$ 1,240,192	\$ 2,469,998	\$ 2,291,393	\$ 3,000,045
Contributions as a percentage of covered payroll	2.18%	1.10%	0.89%	0.96%	1.10%	1.66%	1.66%	1.66%	1.66%	3.00%

**OTHER INDEPENDENT  
AUDITOR'S REPORTS**

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

To the Board of Directors  
South Tech Preparatory Academy, Inc.  
Boynton 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 and each major fund of South Tech Preparatory Academy, Inc. (the "School") as of and for the year ended June 30, 2024, 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, 2024.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or 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.

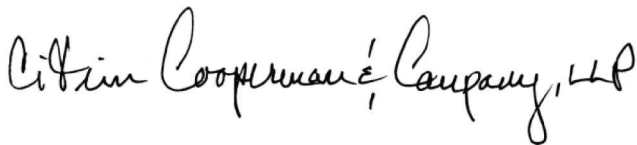
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida  
September 27, 2024



## MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors  
South Tech Preparatory Academy, Inc.  
Boynton Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of South Tech Preparatory Academy, Inc. (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 27, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 27, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are South Tech Preparatory Academy, Inc. and 503441.

### Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the 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.

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### Financial Condition and Management (continued)

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

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

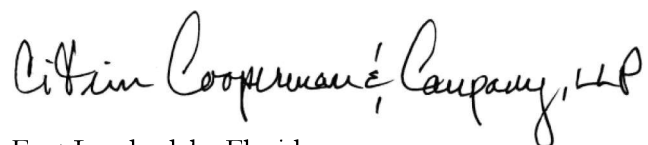
Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

### Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires 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 note any such findings.

### Purpose of this Letter

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



Fort Lauderdale, Florida  
September 27, 2024

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