

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the
District School Board of Hillsborough County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2026

King & Walker, CPAs, PL

Certified Public Accountants

THIS PAGE IS INTENTIONALLY BLANK.

LUTZ PREPARATORY SCHOOL, INC.

TABLE OF CONTENTS

	PAGE NO.
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis – (Unaudited)	4
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Notes to Financial Statements	15
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund and Major Special Revenue Fund – (Unaudited)	27
Note to Required Supplementary Information	28
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
Management Letter as required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, <i>Charter School Audits</i> .	31

Independent Auditor's Report

To the Board of Directors of the Lutz Preparatory School, Inc.
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lutz Preparatory School, Inc. ("School"), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2026, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the 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 Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report September 8, 2026, 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.

King & Walker, CPAs

September 8, 2026
Tampa, Florida

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Lutz Preparatory School, Inc., ("School") provides an overview of the School's financial activities for the fiscal year ended June 30, 2026.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as listed in the table of contents.

In 2015-16, Lutz Preparatory School, Inc., was granted a 15-year charter school contract to combine the elementary and the middle school into a single charter agreement. Lutz Preparatory School, Inc., now serves grades kindergarten through eighth grade. The following financial statements also include the activity of the preschool Lutz Pre-Prep, LLC, an entity under common control, that serves children ages 3 and 4.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2026, the School's revenues exceeded expenses as shown on the School's statement of activities by \$1,292,659.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$6,918,312.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds: a General Fund, a Special Revenue Fund, a Capital Projects Fund, and a Debt Service Fund. Each of these funds are major funds.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

	Net Position, End of Year		
	Governmental Activities		Increase
	6-30-25	6-30-26	(Decrease)
ASSETS			
Current and Other Assets	\$ 9,369,690	\$ 9,676,518	\$ 306,828
Capital Assets, Net	9,944,627	11,482,168	1,537,541
Total Assets	19,314,317	21,158,686	1,844,369
LIABILITIES			
Current Liabilities	1,299,774	1,973,047	673,273
Noncurrent Liabilities	7,092,071	6,970,508	(121,563)
Total Liabilities	8,391,845	8,943,555	551,710
NET POSITION			
Net Investment in Capital Assets	2,852,556	4,511,660	1,659,104
Restricted	649,933	785,159	135,226
Unrestricted	7,419,983	6,918,312	(501,671)
Total Net Position	\$ 10,922,472	\$ 12,215,131	\$ 1,292,659

The assets of the School primarily consist of cash and cash equivalents, restricted-investments, and the School's investment in capital assets net of accumulated depreciation. Liabilities consist primarily of construction contract payable, deferred revenue, and bonds payable. Total net position amounted to \$12,215,131, which included an unrestricted net position balance of \$6,918,312.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School's change in net position for the current and prior year:

Operating Results for the Year			
	Governmental Activities		Increase (Decrease)
	6-30-25	6-30-26	
Revenues:			
Federal Through State and Local	\$ 698,337	\$ 20,821	\$ (677,516)
State	6,878,159	7,073,173	195,014
Local and Other	2,611,291	3,552,154	940,863
Net Unrealized Gain on Investments	6,125	25,122	18,997
Total Revenues	<u>10,193,912</u>	<u>10,671,270</u>	<u>477,358</u>
Expenses:			
Instruction	4,404,615	4,803,209	398,594
Student Support Services	62,338	69,910	7,572
Instructional Media	13,185	13,938	753
Instruction & Curriculum Development	58,792	65,296	6,504
Instructional Staff Training	32,726	31,058	(1,668)
Board	27,783	47,059	19,276
General Administration	38,470	39,082	612
School Administration	786,507	905,106	118,599
Facilities Acquisition & Construction	35,706	17,871	(17,835)
Fiscal Services	51,170	43,382	(7,788)
Food Services	102,535	95,925	(6,610)
Central Services	36,058	27,113	(8,945)
Operation of Plant	862,827	875,412	12,585
Maintenance of Plant	113,078	130,085	17,007
Community Service	1,285,466	1,405,015	119,549
Debt Service - Interest & Fees	279,538	275,175	(4,363)
Unallocated Depreciation	481,213	533,645	52,432
Loss on Disposal of Assets	-	330	330
Total Expenses	<u>8,672,007</u>	<u>9,378,611</u>	<u>706,604</u>
Increase/(Decrease) in Net Position	<u><u>\$ 1,521,905</u></u>	<u><u>\$ 1,292,659</u></u>	<u><u>\$ (229,246)</u></u>

The largest revenue source for the School is the State of Florida (66 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School. Local and Other revenue increased from the prior fiscal year due to the School receiving Millage Referendum funds from Hillsborough County.

The largest concentration of expenses was for Instruction related functions which represents 53% of total expenses. Instruction increased due to an increase in teacher salaries due to use of referendum funds for salaries. The expense categories experienced increases and decreases between fiscal years due to general economic conditions and the changing financial needs of the School.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$7,711,163.

BUDGETARY HIGHLIGHTS

The general fund and special revenue fund budgets for the fiscal year ended June 30, 2026, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, management monitors and may revise the budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$11,482,168 (net of accumulated depreciation). This investment in capital assets includes land, improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, leasehold improvements, and construction in progress. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

DEBT

In 2020-21 fiscal year, the School issued bonds totaling \$6,765,000 to refinance the existing mortgage for their educational facilities. The remaining balance of these bonds, net of the unamortized bond premium, is \$6,970,508 at June 30, 2026. Additional information regarding the School's debt can be found in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School's management, 17951 N. US Highway 41, Lutz, FL 33549.

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2026

	<u>Government Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 6,754,723
Investments - Restricted	2,653,889
Due From Other Agencies	48,297
Accounts Receivable	5,492
Prepaid Items & Deposits	214,117
Capital Assets:	
Land	1,300,000
Buildings & Fixed Equipment, Net	6,227,540
Improvements Other Than Buildings, Net	1,453,245
Leasehold Improvements, Net	-
Furniture, Fixtures, and Equipment, Net	31,701
Construction in Progress	2,469,682
Total Capital Assets	<u>11,482,168</u>
TOTAL ASSETS	<u>21,158,686</u>
LIABILITIES	
Salaries and Benefits Payable	172,151
Accounts Payable	136,780
Construction Contract Payable	705,329
Retainage Payable	94,422
Deferred Revenue	856,673
Accrued Interest on Bonds	7,692
Noncurrent Liabilities:	
Due Within One Year:	
Bonds Payable	110,000
Due After One Year:	
Bonds Payable	<u>6,860,508</u>
TOTAL LIABILITIES	<u>8,943,555</u>
NET POSITION	
Net Investment in Capital Assets	4,511,660
Restricted	785,159
Unrestricted	<u>6,918,312</u>
TOTAL NET POSITION	<u><u>\$ 12,215,131</u></u>

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

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2026

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 4,803,209	\$ -	\$ -	\$ -	\$ (4,803,209)
Student Support Services	69,910	-	-	-	(69,910)
Instructional Media	13,938	-	-	-	(13,938)
Instruction & Curriculum Development	65,296	-	20,821	-	(44,475)
Instructional Staff Training	31,058	-	-	-	(31,058)
Board	47,059	-	-	-	(47,059)
General Administration	39,082	-	-	-	(39,082)
School Administration	905,106	-	-	-	(905,106)
Facilities Acquisition & Construction	17,871	-	-	-	(17,871)
Fiscal Services	43,382	-	-	-	(43,382)
Food Services	95,925	-	-	-	(95,925)
Central Services	27,113	-	-	-	(27,113)
Operation of Plant	875,412	-	-	-	(875,412)
Maintenance of Plant	130,085	-	-	-	(130,085)
Community Service	1,405,015	1,727,667	-	-	322,652
Debt Service - Interest & Fees	275,175	-	-	375,158	99,983
Unallocated Depreciation	533,645	-	-	-	(533,645)
Loss on Disposal of Assets	330	-	-	-	(330)
Total Governmental Activities	<u>\$ 9,378,611</u>	<u>\$ 1,727,667</u>	<u>\$ 20,821</u>	<u>\$ 375,158</u>	<u>(7,254,965)</u>
General Revenue					
State Sources					6,552,312
Grants and Contributions not restricted to specific program					302,040
Local and Other					1,668,150
Net Unrealized Gain on Investments					25,122
Total General Revenues					<u>8,547,624</u>
Change in Net Position					1,292,659
Net Position - July 1, 2025					<u>10,922,472</u>
Net Position - June 30, 2026					<u>\$ 12,215,131</u>

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

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 6,730,758	\$ -	\$ -	\$ 23,965	\$ 6,754,723
Investments - Restricted	2,016,540	-	-	637,349	2,653,889
Due From Other Agencies	4,999	-	43,298	-	48,297
Accounts Receivable	5,492	-	-	-	5,492
Prepaid Items & Deposits	214,117	-	-	-	214,117
Due from Other Funds	43,298	-	-	-	43,298
Total Assets	<u>\$ 9,015,204</u>	<u>\$ -</u>	<u>\$ 43,298</u>	<u>\$ 661,314</u>	<u>\$ 9,719,816</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 172,151	\$ -	\$ -	\$ -	\$ 172,151
Accounts Payable	136,780	-	-	-	136,780
Construction Contract Payable	705,329	-	-	-	705,329
Retainage Payable	94,422	-	-	-	94,422
Deferred Revenue	856,673	-	-	-	856,673
Due to Other Funds	-	-	43,298	-	43,298
Total Liabilities	<u>1,965,355</u>	<u>-</u>	<u>43,298</u>	<u>-</u>	<u>2,008,653</u>
FUND BALANCES					
Nonspendable	214,117	-	-	-	214,117
Restricted	123,845	-	-	661,314	785,159
Unassigned	6,711,887	-	-	-	6,711,887
Total Fund Balances	<u>7,049,849</u>	<u>-</u>	<u>-</u>	<u>661,314</u>	<u>7,711,163</u>
Total Liabilities and Fund Balances	<u>\$ 9,015,204</u>	<u>\$ -</u>	<u>\$ 43,298</u>	<u>\$ 661,314</u>	<u>\$ 9,719,816</u>

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

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

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

June 30, 2026

Total Fund Balances - Governmental Funds			\$ 7,711,163
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.			11,482,168
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.			
	Bonds Payable	(6,970,508)	
	Accrued Interest on Bonds	<u>(7,692)</u>	<u>(6,978,200)</u>
Total Net Position - Governmental Activities			<u><u>\$ 12,215,131</u></u>

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

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ -	\$ 20,821	\$ -	\$ -	\$ 20,821
State	6,552,312	-	520,861	-	7,073,173
Local and Other	3,387,978	-	156,337	7,839	3,552,154
Total Revenues	<u>9,940,290</u>	<u>20,821</u>	<u>677,198</u>	<u>7,839</u>	<u>10,646,148</u>
Expenditures					
Current - Education:					
Instruction	4,803,209	-	-	-	4,803,209
Student Support Services	69,910	-	-	-	69,910
Instructional Media	13,938	-	-	-	13,938
Instruction & Curriculum Development	44,475	20,821	-	-	65,296
Instructional Staff Training	31,058	-	-	-	31,058
Board	47,059	-	-	-	47,059
General Administration	39,082	-	-	-	39,082
School Administration	905,106	-	-	-	905,106
Facilities Acquisition & Construction	17,871	-	-	-	17,871
Fiscal Services	43,382	-	-	-	43,382
Food Services	95,925	-	-	-	95,925
Central Services	27,113	-	-	-	27,113
Operation of Plant	875,412	-	-	-	875,412
Maintenance of Plant	130,085	-	-	-	130,085
Community Service	1,405,015	-	-	-	1,405,015
Fixed Capital Outlay:					
Facilities Acquisition & Construction	1,747,626	-	302,040	-	2,049,666
Other Capital Outlay	21,850	-	-	-	21,850
Debt Service:					
Principal	-	-	-	105,000	105,000
Interest & Fees	-	-	-	291,738	291,738
Total Expenditures	<u>10,318,116</u>	<u>20,821</u>	<u>302,040</u>	<u>396,738</u>	<u>11,037,715</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>(377,826)</u>	<u>-</u>	<u>375,158</u>	<u>(388,899)</u>	<u>(391,567)</u>
Other Financing Sources (Uses):					
Net Unrealized Gain on Investments	-	-	-	25,122	25,122
Transfers In	-	-	-	375,158	375,158
Transfers Out	-	-	(375,158)	-	(375,158)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(375,158)</u>	<u>400,280</u>	<u>25,122</u>
Net Change in Fund Balances	<u>(377,826)</u>	<u>-</u>	<u>-</u>	<u>11,381</u>	<u>(366,445)</u>
Fund Balances, July 1, 2025	<u>7,427,675</u>	<u>-</u>	<u>-</u>	<u>649,933</u>	<u>8,077,608</u>
Fund Balances, June 30, 2026	<u>\$ 7,049,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,314</u>	<u>\$ 7,711,163</u>

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

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2026

Net Change in Fund Balances - Governmental Funds	\$ (366,445)
---	---------------------

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

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.

Capital Outlays	2,071,516	
Depreciation Expense	(533,645)	
Loss on Disposal of Assets	<u>(330)</u>	1,537,541

The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	105,000
--	---------

Expenses in the statement of activities that do not require the use of current
financial resources are not reported in governmental funds:

Amortization of bond premium	<u>16,563</u>
------------------------------	---------------

Change in Net Position - Governmental Activities	<u><u>\$ 1,292,659</u></u>
---	-----------------------------------

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

LU TZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Lutz Preparatory School, Inc., (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. In 2015-16, the elementary and the middle school were combined into a single charter school. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three 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, the District School Board of Hillsborough County, Florida, (“District”). The current charter is effective until June 30, 2030, and is subject to annual review and may be renewed 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 this 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. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

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

LU TZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

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.

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's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for certain Federal grant program resources.
- Capital Projects Fund – to account for all resources for the acquisition of capital and related items purchased by the School with capital outlay funds.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. 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 recognized when the related fund liability

LU TZ P RE P A R A T O R Y S C H O O L , I N C .

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Investments**

Cash deposits consist of demand deposits and money market accounts with a financial institution. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000.

➤ **Investments**

The School has not adopted a written investment policy. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The School's investments are set aside to make debt service payments and maintain sinking or reserve funds and are classified as restricted. These investments are reported as Restricted for Debt Service on the Statements of Net Position and on the Balance Sheet – Governmental Funds.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	3-7 years
Buildings & Fixed Equipment	10-39 years
Furniture, Fixtures, and Equipment	5-7 years
Leasehold Improvements	3-10 years

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Capital improvement debt is reported net of unamortized discount. The School amortizes debt discounts over the life of the debt using the straight-line method.

LU TZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Changes in long-term liabilities and other information for the current year are reported in subsequent notes to the financial statements.

➤ **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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All

LU TZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

nonspendable fund balances at year end relate to assets that are in nonspendable form.

- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from 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 students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

LU TZ P RE P A R A T O R Y S C H O O L , I N C .

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2026, the School reported 779.82 unweighted FTE and 816.9331 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

➤ Use of Estimates

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ Subsequent Events

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Fair Value Measurement - The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School's cash, cash equivalents, and investments at June 30, 2026, are reported as follows:

	Maturities	Credit Rating	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents:						
Commercial Banks	n/a	n/a	\$ 6,089,386	\$ 6,089,386	\$ -	\$ -
Money Market Funds	n/a	n/a	665,337	665,337	-	-
Total Cash and Cash Equivalents			6,754,723	6,754,723	-	-
Investments:						
U.S Government Obligations	1 month - 3 years	Aa1	2,653,889	-	2,653,889	-
Total Investments			2,653,889	-	2,653,889	-
Total Cash, Cash Equivalents, and Investments			\$ 9,408,612	\$ 6,754,723	\$ 2,653,889	\$ -
Current - Cash and Cash Equivalents			\$ 6,754,723			
Current - Investments			2,396,975			
Noncurrent - Investments			256,914			
Total			\$ 9,408,612			

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

LUZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

Credit Risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Section 218.415(17), Florida Statutes, limits investments to the Securities and Exchange Commission registered money market funds with the highest credit quality rating from a national recognized rating agency and interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes, and direct obligations of the United States Treasury. The School does not have a formal investment policy that further limits its investment choices. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. As of June 30, 2026, the School was not exposed to custodial credit risk.

Concentration Risk – Concentration of credit risk is the risk of loss associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the School to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. Securities issued or explicitly guaranteed by the U.S. government, Fannie Mae and government agencies are not considered by management to be a concentration of credit risk. The School does not have a formal investment policy that limits the amount the School may invest in any one issuer.

3. DUE FROM OTHER AGENCIES

The amounts Due from Other Agencies included in the accompanying statement of net position and balance sheet – governmental funds consists of amounts due from the Hillsborough County District School Board for capital outlay funds recorded in the Capital Projects Fund. This receivable is considered to be fully collectible and as such, no allowance for uncollectibles is accrued.

4. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

5. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

LUZT PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Construction in Progress	1,045,936	1,795,920	(372,174)	2,469,682
Buildings & Fixed Equipment	10,206,604	-	-	10,206,604
Improvements Other than Building	1,272,477	625,920	-	1,898,397
Leasehold Improvements	304,933	-	-	304,933
Furniture, Fixtures and Equipment	198,220	21,850	(3,300)	216,770
Total Capital Assets	<u>14,328,170</u>	<u>2,443,690</u>	<u>(375,474)</u>	<u>16,396,386</u>
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(3,646,786)	(332,278)	-	(3,979,064)
Improvements Other than Building	(284,849)	(160,303)	-	(445,152)
Leasehold Improvements	(289,682)	(15,251)	-	(304,933)
Furniture, Fixtures and Equipment	(162,226)	(25,813)	2,970	(185,069)
Total Accumulated Depreciation	<u>(4,383,543)</u>	<u>(533,645)</u>	<u>2,970</u>	<u>(4,914,218)</u>
Governmental Activities Capital Assets, net	<u>\$ 9,944,627</u>	<u>\$ 1,910,045</u>	<u>\$ (372,504)</u>	<u>\$ 11,482,168</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

7. BONDS PAYABLE

Bonds payable at June 30, 2026, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Series 2021A	\$ 6,475,000	4.00%	2056
Unamortized Bond Premium	<u>495,508</u>		
Total Bonds Payable	<u>\$ 6,970,508</u>		

Revenue Bonds Series 2021A and 2021B – On February 17, 2021, the Lutz Preparatory School, Inc., issued tax-exempt revenue bonds (Series 2021A) for \$6,585,000 and taxable revenue bonds (Series 2021B) for \$180,000 secured by a mortgage on the property and buildings. The bonds were issued to refinance the existing mortgage for the facilities used as a nonprofit charter school educational facility.

Series 2021A bonds are term bonds paying interest semi-annually at a rate of 4% with maturities starting June 30, 2026, and ending June 30, 2056.

As required by the bond resolution, the School has established a reserve account and has accumulated and maintained adequate resources in the account.

In the event of default for non-payment of principal or interest on the bonds, the outstanding amounts will become due and payable.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

Annual requirements to amortize all bonded debt outstanding as of June 30, 2026, are as follows:

Fiscal Year				
Ending June 30	Total	Principal	Interest	
2027	\$ 369,000	\$ 110,000	\$ 259,000	
2028	369,600	115,000	254,600	
2029	370,000	120,000	250,000	
2030	365,200	120,000	245,200	
2031	365,400	125,000	240,400	
2032-36	1,837,400	715,000	1,122,400	
2037-41	1,837,400	870,000	967,400	
2042-46	1,838,600	1,060,000	778,600	
2047-51	1,848,000	1,300,000	548,000	
2052-56	2,207,400	1,940,000	267,400	
<i>Unamortized Bond Premium</i>	495,508	495,508	-	
Total	<u>\$ 11,903,508</u>	<u>\$ 6,970,508</u>	<u>\$ 4,933,000</u>	

8. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Bonds Payable	\$ 6,580,000	\$ -	\$ (105,000)	\$ 6,475,000	\$ 110,000
Unamortized Bond Premium	512,071	-	(16,563)	495,508	-
Total Bonds Payable	<u>7,092,071</u>	<u>-</u>	<u>(121,563)</u>	<u>6,970,508</u>	<u>110,000</u>
Total Governmental Activities	<u>\$ 7,092,071</u>	<u>\$ -</u>	<u>\$ (121,563)</u>	<u>\$ 6,970,508</u>	<u>\$ 110,000</u>

9. RESTRICTED FUND BALANCE & NET POSITION

The School had a restricted net position and General Fund balance of \$123,845 to restrict proceeds of the Hillsborough County referendum funds that are remaining unspent at June 30, 2026. The School also has a restricted net position and Debt Service Fund balance of \$661,314 to restrict those funds that are held in the bond reserve accounts and to be used for bond debt service payments.

10. DEFERRED REVENUE

Included in the deferred revenue balance, the preschool Lutz Pre-Prep, LLC, an entity under common control, collected tuition of \$747,405 for the 2026-27 fiscal year during the current fiscal year. This amount will be recognized as revenue in the next fiscal year.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

11. CONSTRUCTION CONTRACT COMMITMENTS

The following is a schedule of major construction contract commitments at June 30, 2026:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Site Improvements:			
Construction Services, Inc.	\$ 2,957,520	\$ 1,205,632	\$ 1,751,888
Lutz Prep Concept Planning:			
Vanasse Hangen Brustlin, Inc. (VHB)	383,000	324,275	58,725
Total	<u>\$ 3,340,520</u>	<u>\$ 1,529,907</u>	<u>\$ 1,810,613</u>

12. INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS

At June 30, 2026, the School's Capital Projects Fund owed the General Fund \$43,298 for expenditures awaiting reimbursement from other agencies. These amounts are netted together and not reported in the statement of net position.

The School's Capital Projects Fund transferred \$375,158 to the Debt Service Fund for principal and interest payments owed on long-term debt and to meet the Bond Reserve Fund requirement. The amounts of interfund transfers are netted together and not reported on the statement of activities.

13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue for the fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 5,657,012
Categorical Programs:	
Class Size Reduction	774,143
School Recognition	65,500
Charter School Capital Outlay	520,861
Miscellaneous	55,657
Total State Revenue	<u>\$ 7,073,173</u>

As provided in the charter school contract, the District has charged the School an administrative fee of \$39,082.

14. RETIREMENT PLAN

The School participates in a defined contribution tax sheltered annuity 403(b) plan for participating employees. Contributions made by the School totaled \$199,924 for the year ended June 30, 2026, which were computed at 5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

15. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2026, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

16. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. The School has no legal actions or pending proceedings in progress.

LUTZ PREPARATORY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND & MAJOR SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2026

	General Fund					Major Special Revenue Fund				
	Original Budget	Final Budget	Variance with Original Budget - over/(under) Final Budget	Actual	Variance with Final Budget - over/(under) Actual	Original Budget	Final Budget	Variance with Original Budget - over/(under) Final Budget	Actual	Variance with Final Budget - over/(under) Actual
Revenues:										
Intergovernmental:										
Federal Through State and Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,821	\$ (20,821)	\$ 20,821	\$ -
State	6,790,798	7,245,979	(455,181)	6,552,312	693,667	-	-	-	-	-
Local and Other	2,357,795	2,695,451	(337,656)	3,387,978	(692,527)	-	-	-	-	-
Total Revenues	9,148,593	9,941,430	(792,837)	9,940,290	1,140	-	20,821	(20,821)	20,821	-
Expenditures:										
Current - Education:										
Instruction	4,821,294	4,803,943	17,351	4,803,209	734	-	-	-	-	-
Student Support Services	151,410	130,589	20,821	69,910	60,679	-	-	-	-	-
Instructional Media	13,353	13,353	-	13,938	(585)	-	-	-	-	-
Instruction & Curriculum Development	-	-	-	44,475	(44,475)	-	20,821	(20,821)	20,821	-
Instructional Staff Training	36,937	36,937	-	31,058	5,879	-	-	-	-	-
Board	15,775	46,585	(30,810)	47,059	(474)	-	-	-	-	-
General Administration	40,892	40,892	-	39,082	1,810	-	-	-	-	-
School Administration	949,100	952,739	(3,639)	905,106	47,633	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	17,871	(17,871)	-	-	-	-	-
Fiscal Services	49,018	49,018	-	43,382	5,636	-	-	-	-	-
Food Services	113,699	95,813	17,886	95,925	(112)	-	-	-	-	-
Central Services	39,323	28,713	10,610	27,113	1,600	-	-	-	-	-
Operation of Plant	978,532	885,344	93,188	875,412	9,932	-	-	-	-	-
Maintenance of Plant	245,032	126,216	118,816	130,085	(3,869)	-	-	-	-	-
Community Service	1,344,594	1,416,707	(72,113)	1,405,015	11,692	-	-	-	-	-
Fixed Capital Outlay:										
Facilities Acquisition & Construction	210,715	1,781,949	(1,571,234)	1,747,626	34,323	-	-	-	-	-
Other Capital Outlay	-	-	-	21,850	(21,850)	-	-	-	-	-
Total Expenditures	9,009,674	10,408,798	(1,399,124)	10,318,116	90,682	-	20,821	(20,821)	20,821	-
Net Change in Fund Balances	138,919	(467,368)	606,287	(377,826)	(89,542)	-	-	-	-	-
Fund Balances, July 1, 2025	7,427,675	7,427,675	-	7,427,675	-	-	-	-	-	-
Fund Balances, June 30, 2026	<u>\$ 7,566,594</u>	<u>\$ 6,960,307</u>	<u>\$ 606,287</u>	<u>\$ 7,049,849</u>	<u>\$ (89,542)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

LUTZ PREPARATORY SCHOOL, INC.

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2026

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

10004 N. Dale Mabry Hwy Ste 105
Tampa, FL 33618
office (813) 892-4274 fax (813) 932-1913
www.KingandWalker.com

**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***

Independent Auditor's Report

To the Board of Directors of the Lutz Preparatory School, Inc.
a Charter School and Component Unit of the District
School Board of Hillsborough County, 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 Lutz Preparatory School, Inc. ("School"), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2026, 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 8, 2026.

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 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 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.

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2026
Tampa, Florida



Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

10004 N. Dale Mabry Hwy Ste 105
Tampa, FL 33618
office (813) 892-4274 fax (813) 932-1913
www.KingandWalker.com

**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Lutz Preparatory School, Inc.
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Financial Statements

We have audited the financial statements of the Lutz Preparatory School, Inc. ("School"), a charter school and a component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 8, 2026.

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 those reports and schedule, which are dated September 8, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Lutz Preparatory School, 296655.

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.

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 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2026
Tampa, Florida