BEACON COLLEGE PREP ELEMENTARY SCHOOL
OPA LOCKA, FLORIDA
(A COMPONENT UNIT OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND SUPPLEMENTARY INFORMATION

June 30, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

BEACON COLLEGE PREP ELEMENTARY SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2022

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BEACON COLLEGE PREP ELEMENTARY SCHOOL
(A Charter School Under Beacon College Prep, Inc.)

13400 NW 28th Avenue
Opa Locka, FL 33054
(786)353-6109

2021-2022

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SCHOOL ADMINISTRATION

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Mr. John Flickinger, Director of Development

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beacon College Prep Elementary School
Opa Locka, 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 Beacon College Prep Elementary School (the "School"), a charter school under Beacon College Prep, Inc., and a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2022, 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, 2022, 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 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

4627 PONCE DE LEON BOULEVARD • CORAL GABLES, FL 33146-2185 • TEL: 305.666.7229 • FAX: 305.666.7351 • WWW.SWKJ-CPA.COM
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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-10 and 26-29 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.

To the Board of Directors
Beacon College Prep Elementary School

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2022, and the respective changes in the financial position for the year then ended, and is not intended to be a complete presentation of Beacon College Prep, Inc. These financial statements do not purport to and do not present fairly the financial position of Beacon College Prep, Inc. as of June 30, 2022 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, during the current fiscal year, the School adopted new accounting guidance, GASB No. 87, Leases. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022, 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.

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 19, 2022

BEACON COLLEGE PREP ELEMENTARY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The corporate officers of Beacon College Prep Elementary School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

1. At June 30, 2022, the School had current assets of $1,718,436.
2. At June 30, 2022, the School had a positive net position of $1,052,045.
3. For the year ended June 30, 2022, the School's revenues exceeded expenses by $313,209.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2022 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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, deferred outflows of resources, liabilities and deferred inflows of resources. The difference is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 11 – 12 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general and special revenue funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 13 – 16 of this report.

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

The notes to the financial statements can be found on pages 17 – 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2022 and 2021 follows:

	2022	2021
ASSETS		
Cash	$ 198,544	$ 232,678
Due from governmental agencies	683,267	148,796
Prepaid expense	88,254	6,519
Due from related party	748,371	522,863
Capital assets, net	287,507	190,887
Right-of-use asset, net	7,185,553	-
Deposit	12,223	12,223
TOTAL ASSETS	$ 9,203,719	$ 1,113,966
LIABILITIES AND NET POSITION		
Accounts payable	$ 2,897	$ 48,018
Salaries, benefits and payroll taxes payable	232,891	270,431
Due to related party	427,137	3,718
Long-term debt	40,747	52,963
Right-of-use liability	7,448,002	-
Total Liabilities	8,151,674	375,130
Net investment in capital and right-of-use assets	(15,689)	137,924
Unrestricted	1,067,734	600,912
Total Net Position	1,052,045	738,836
TOTAL LIABILITIES AND NET POSITION	$ 9,203,719	$ 1,113,966

At June 30, 2022, the School's total assets were $9,203,719 and total liabilities were $8,151,674. At June 30, 2022, the School reported total net position of $1,052,045.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2022 and 2021 follows:

	2022	2021
REVENUES		
Program Revenues		
Operating grants and contributions	$ 1,267,718	$ 721,989
State capital outlay funding	245,813	285,905
General Revenues		
FEFP nonspecific revenue	3,003,260	3,406,295
Fundraising and other revenue	75,469	44,819
Grant revenues - PPP	-	323,790
Total Revenues	$ 4,592,260	$ 4,782,798
EXPENSES		
Board	71,400	$ 102,943
Central services	134	492
Facilities acquisition	-	552,359
Fiscal services	83,288	54,431
Food services	284,601	165,346
Instruction	1,877,151	2,279,769
Instructional support services	119,737	162,830
Interest expense	524,096	4,250
Maintenance of plant	81,296	117,360
Operation of plant	286,546	221,168
Pupil transportation services	3,495	55,287
School administration	499,020	426,842
Technology services	59,777	49,601
Unallocated depreciation and amortization expenses	388,510	91,569
Total Expenses	4,279,051	$ 4,284,247
Change in Net Position	313,209	498,551
Net Position at Beginning of Year	738,836	240,285
Net Position at End of Year	$ 1,052,045	$ 738,836

The School's total revenues for the year ended June 30, 2022 were $4,592,260 while its total expenses were $4,279,051 for a net increase in net position of $313,209.

ACCOMPLISHMENTS

Beacon College Prep Elementary School was able to improve its school grade from a "D" (received in 2019-20) to a borderline "B." This is a significant accomplishment given the fact most students across the country suffered severe learning losses as a result of the pandemic. The fact that Beacon College Prep Elementary School students demonstrated significant learning gains post-pandemic is a testament to the quality of Beacon College Prep Elementary School's leadership, teachers and academic programs.

SCHOOL LOCATION

The School operates in the Miami area located at 13400 NW 28th Avenue, Opa Locka, FL 33054.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the School's governmental funds reported combined ending positive fund balance of $1,067,734 and a net increase in fund balance of $466,822.

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital and right-of-use assets, as of June 30, 2022, amounts to $7,473,060 (net of accumulated depreciation of $845,536). This investment includes right-of-use asset related to facilities, leasehold improvements, furniture, fixtures and equipment, computer equipment and software.

LONG-TERM LIABILITIES

As of June 30, 2022, the School has one long-term loan with a balance of $40,747. The loan bears interest at a rate of 6.8% per annum; loan repayment commenced on April 1, 2020 and matures on April 1, 2025. The School obtained forgiveness for its Paycheck Protection Program ("PPP") loan on January 22, 2021.

GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	$ 3,471,607	$ 3,003,260	$ 3,003,260
Federal sources	354,323	983,117	983,117
Federal lunch program	47,198	284,601	284,601
State capital outlay funding	282,155	245,813	245,813
Contributions and other revenues	-	75,469	75,469
TOTAL REVENUES	4,155,283	4,592,260	4,592,260
EXPENDITURES			
Current:			
Board	110,575	71,400	71,400
Central services	-	134	134
Facilities acquisition	535,045	527,760	-
Fiscal services	93,976	83,288	83,288
Food services	47,198	284,601	284,601
Instruction	1,913,613	1,877,151	1,877,151
Instructional support services	224,386	119,737	119,737
Maintenance of plant	59,667	81,296	81,296
Operation of plant	269,909	286,546	286,546
Pupil transportation services	152,734	3,495	3,495
School administration	409,578	499,020	499,020
Technology services	33,800	59,777	59,777
Capital Outlay:			
Capital outlay	-	216,511	7,670,683
Debt Service			
Interest	-	2,506	524,096
Redemption of principal	-	12,216	18,386
TOTAL EXPENDITURES	3,850,484	4,125,438	11,579,610
Excess of revenues over expenditures	304,799	466,822	(6,987,350)
Other financing sources	-	-	7,454,172
Net Change in Fund Balance	$ 304,799	$ 466,822	$ 466,822

The School's facility lease expenses were budgeted in facilities acquisition, but are reported under debt service due to the implementation of GASB No. 87, Leases.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. John Flickinger at Beacon College Prep Elementary School.

BEACON COLLEGE PREP ELEMENTARY SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 198,544
Due from governmental agency	683,267
Prepaid expenditures	88,254
Due from related party	748,371
Total current assets	1,718,436
Capital assets, net	287,507
Right-of-use asset, net	7,185,553
Deposits	12,223
TOTAL ASSETS	$ 9,203,719
LIABILITIES AND NET POSITION	
Current liabilities:	
Accounts payable	$ 2,897
Salaries, benefits and payroll taxes payable	232,891
Due to related party	427,137
Right-of-use liability, current portion	25,062
Current portion of long-term debt	13,221
Total current liabilities	701,208
Long-term debt	27,526
Right-of-use liability, net of current portion	7,422,940
Total liabilities	8,151,674
Net position:	
Net investment in capital and right-of-use assets	(15,689)
Unrestricted	1,067,734
Total net position	1,052,045
TOTAL LIABILITIES AND NET POSITION	$ 9,203,719

BEACON COLLEGE PREP ELEMENTARY SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:					
Board	$ 71,400	$ -	$ -	$ -	$ (71,400)
Central services	134	-	-	-	(134)
Fiscal services	83,288		1,500	-	(81,788)
Food services	284,601	-	284,601	-	-
Instruction	1,877,151	-	843,964	-	(1,033,187)
Instructional support services	119,737	-	10,020	-	(109,717)
Interest expense	524,096	-		245,813	(278,283)
Maintenance of plant	81,296	-	55,288	-	(26,008)
Operation of plant	286,546	-	68,865	-	(217,681)
Pupil transportation services	3,495	-	-	-	(3,495)
School administration	499,020	-	3,480	-	(495,540)
Technology services	59,777	-	-	-	(59,777)
Unallocated depreciation and amortization expenses	388,510	-	-	-	(388,510)
Total Governmental Activities	$ 4,279,051	$ -	$ 1,267,718	$ 245,813	$(2,765,520)

GENERAL REVENUES:	
Government grants not restricted to specific programs	$ 3,003,260
Contributions and other revenues	75,469
Total General Revenues	3,078,729
Change in Net Position	313,209
NET POSITION – BEGINNING	738,836
NET POSITION – ENDING	$ 1,052,045

BEACON COLLEGE PREP ELEMENTARY SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
ASSETS				
Cash and cash equivalents	$ 198,544	$ -	$ -	$ 198,544
Due from governmental agency	278,280	389,366	15,621	683,267
Prepaid expenditures	88,254	-	-	88,254
Due from related party	748,371	-	-	748,371
Due from other funds	404,987	-	-	404,987
Deposits	12,223	-	-	12,223
TOTAL ASSETS	$1,730,659	$ 389,366	$15,621	$ 2,135,646
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 2,897	$ -	$ -	$ 2,897
Due to related party	427,137	-	-	427,137
Salaries, benefits and payroll taxes payable	232,891	-	-	232,891
Due to other funds	-	389,366	15,621	404,987
Total Liabilities	662,925	389,366	15,621	1,067,912
Fund Balance				
Nonspendable				
Deposit	12,223	-	-	12,223
Prepaid expenditure	88,254	-	-	88,254
Unassigned	967,257	-	-	967,257
Total Fund Balance	1,067,734	-	-	1,067,734
TOTAL LIABILITIES AND FUND BALANCE	$1,730,659	$389,366	$15,621	$ 2,135,646

BEACON COLLEGE PREP ELEMENTARY SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balance - Governmental Funds		$ 1,067,734
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 in the fund.	Capital assets	864,424
	Accumulated depreciation	(576,917)
Right-to-use asset and liabily used in governmental activities are not financial resources or obligations and therefore are not reported.	Right-of-use asset	7,185,553
	Right-of-use liability	(7,448,002)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	Loan payable	(40,747)
Total Net Position - Governmental Activities		$ 1,052,045

BEACON COLLEGE PREP ELEMENTARY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
REVENUES				
State passed through local	$ 3,003,260	$ -	$ -	$ 3,003,260
Federal sources	-	983,117	-	983,117
Federal lunch program	-	284,601	-	284,601
State capital outlay funding	-	-	245,813	245,813
Contributions and other revenues	75,469	-	-	75,469
TOTAL REVENUES	3,078,729	1,267,718	245,813	4,592,260
EXPENDITURES				
Current:				
Administrative technology services	59,777	-	-	59,777
Board	71,400	-	-	71,400
Central Services	134	-	-	134
Fiscal services	81,788	1,500	-	83,288
Food services	-	284,601	-	284,601
Instruction	1,033,187	843,964	-	1,877,151
Instructional support services	109,717	10,020	-	119,737
Maintenance of plant	26,008	55,288	-	81,296
Operation of plant	217,681	68,865	-	286,546
Pupil transportation services	3,495	-	-	3,495
School administration	495,540	3,480	-	499,020
Capital Outlay:				
Other capital outlay	216,511	-	-	216,511
Right-of-use asset (facilities)	-	-	7,454,172	7,454,172
Debt Service:				
Interest expense	284,453	-	239,643	524,096
Redemption of principal	12,216	-	6,170	18,386
TOTAL EXPENDITURES	2,611,907	1,267,718	7,699,985	11,579,610
Excess of expenditures over revenues	466,822	-	(7,454,172)	(6,987,350)
Other Financing Sources:				
Increase in right-of-use liability	-	-	7,454,172	7,454,172
Net change in fund balance	466,822	-	-	466,822
Fund balance at beginning of year	600,912	-	-	600,912
Fund balance at end of year	$ 1,067,734	$ -	$ -	$ 1,067,734

BEACON COLLEGE PREP ELEMENTARY SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Change in Fund Balance - Governmental Funds		$ 466,822
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	Capital outlay	216,511
	Depreciation expense	(119,891)
In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.	Amortization expense	(268,619)
The proceeds from loans and right-to-use liability provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	Redemption of principal	18,386
Change in Net Position of Governmental Activities		$ 313,209

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Beacon College Prep Elementary School (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "School Board"), The School's charter is held by Beacon College Prep, Inc. ("Corporate"), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors of Corporate, which is comprised of seven members.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of Corporate as of June 30, 2022, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 of School Board of Miami-Dade County, Florida. The School renewed its charter in July 2019 for a ten-year term, commencing on July 1, 2019 and is effective until June 30, 2029. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for an additional 5 years unless another term is mutually agreed upon.

These financial statements are for the year ended June 30, 2022 when 360 students were enrolled in kindergarten through fifth grade.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines.*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Common Expenses

The School shares the same physical location with Beacon College Prep Middle School ("BCPMS"), a related party through common control, and common expenditures. These common expenditures have been allocated between the Schools based on student enrollment.

Expenditures that are subject to allocation include, but are not limited to, instruction, school administration, facilities acquisition and pupil transportation services. The process of the allocation of common expenses takes place when the expenses are recorded based on a methodical and non-discriminatory basis.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

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.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The School reports the following major governmental funds as separate columns in the fund financial statements:

General Fund – This is the School's primary operating fund. It is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Special Revenue Fund – This fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes other than debt service and capital projects.

Capital Projects Fund – This fund is used to account for financial resources used for the acquisition of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or 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 applies.

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

Governmental fund 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 and available means collectible within sixty days or soon enough thereafter to pay current liabilities.

Budgetary Basis Accounting

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

Cash and Cash Equivalents

The School considers cash on hand and demand deposits, with original maturities of three months or less, to be cash and cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Revenue Recognition

Revenues for operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (“FTE”) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (“FTE”) students and related data to the Florida Department of Education (“FLDOE”) for funding through the Florida Education Finance Program (the “FEFP”). Funding for the School is adjusted during the year to reflect the revised calculations by the FLDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School is eligible to receive an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal and state awards for the enhancement of various educational programs. Federal and state awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalizes tangible personal property with a cost of $500 and useful life of over one year. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Internally constructed or donated property and equipment are recorded if the item cost, or has a fair market value of, $100 or more. Donated properties are valued at the estimated fair market 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. For leasehold improvements made under related party lease that is reasonably assured of being renewed for multiple periods, depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Leasehold improvements	5 Years
Computer equipment and software	3 Years
Textbooks	3 Years

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/expenditures) 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 that time. The School does not have any items that qualify for reporting in this category.

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for eighty hours (ten days) of paid time off at the start of each school year. Full-time employees who start mid-year (after December) will receive forty hours (five days) upon hire. In the event an employee does not use their paid time off prior to the end of the school year on June 15, the employee will be paid $150 per unused paid time off day (eight hours) up to a maximum of ten days. This amount will be paid in the second pay period of June.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Fund Net Position

Government-wide fund net position is divided into three components:

Net investment in capital and right-of-use assets – Represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-to-use asset net of the right-to-use liability. The net investment in capital and right-to-use assets for the year ending June 30, 2022, was $(15,689).

Restricted net assets – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The School did not have any restricted net position as of June 30, 2022.

Unrestricted – Indicates all other net position that is available to fund future operations.

Governmental Fund Balance

The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as non-spendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year. At June 30, 2022, the School had $100,477 in non-spendable fund balance.

Restricted – Includes amounts that can be spent only for specific purposes as stipulated by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation. At June 30, 2022, there is no restricted fund balance.

Committed – Includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action. At June 30, 2022, there is no committed fund balance.

Assigned – Includes amounts intended to be used by the School's management or Board of Directors for specific purposes but do not meet the criteria to be classified as either restricted or committed. At June 30, 2022, there is no assigned fund balance.

Unassigned – Includes all spendable amounts within the School's general fund not contained in the other classifications.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order of Fund Balance Spending Policy

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and, lastly, unassigned funds. As of June 30, 2022, there are no minimum fund balance requirements for any of the School's funds.

Income Taxes

The School qualifies as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3), and is therefore exempt from income tax. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Use of Estimates

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

Pronouncements Issued But Not Yet Effective

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The School is currently evaluating the effect that the implementation of the standard will have on its financial statements.

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSET

The following schedule provides a summary of changes in capital assets for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Capital Assets				
Leasehold improvements	$ 80,452	$ 64,525	$ -	$ 144,977
Furniture, fixtures & equipment	92,981	78,802	-	171,783
Computer equipment & software	274,608	24,270	-	298,878
Textbooks	199,872	48,914	-	248,786
Total Capital Assets	647,913	216,511	-	864,424
Less Accumulated Depreciation				
Leasehold improvements	(48,497)	(16,283)	-	(64,780)
Furniture, fixtures & equipment	(40,495)	(29,003)	-	(69,498)
Computer equipment & software	(209,046)	(39,722)	-	(248,768)
Textbooks	(158,988)	(34,883)	-	(193,871)
Total Accumulated Depreciation	(457,026)	(119,891)	-	(576,917)
Capital Assets, net	$ 190,887	$ 6,620	$ -	$ 287,507

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	$ 34,885
School administration	85,006
Total depreciation	$ 119,891

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Right-of-use asset	$ -	$ 7,454,172	$ -	$ 7,454,172
Less Accumulated amortization	-	(268,619)		(268,619)
Right-of-use asset, net	$ -	$ 7,185,553	$ -	$ 7,185,553

Amortization expense for the year ended June 30, 2022 was $268,619, which was charged to operation of plant.

NOTE 3 – TRANSACTIONS WITH A SERVICE COMPANY

The School entered into an agreement with Building Hope Services, LLC., ("Building Hope") to provide human resources, payroll, consulting, and professional services to the School. Building Hope manages the finances and ledger and makes recommendations to the School's management and independent board of directors, who make the final determinations regarding polices and contracts.

In providing services to the School, officers of Building Hope may not serve as members of the Board of Directors of the School. The contract calls for $340 per employee per year for human resources and payroll services, $100 per student per month for accounting services and $100 per student for online registration system. During the year ended June 30, 2022, the School incurred service fees of $83,288. At June 30, 2022, the School had no balance due to or from Building Hope.

NOTE 4 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in major banks. Deposits are insured by the Federal Depository Insurance Corporation ("FDIC") up to $250,000 per depositor, per financial institution. As of June 30, 2022, the bank balance of the School's cash deposit accounts totaled $208,056, and the carrying amounts totaled $198,544.

State statutes 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 minimum collateral to be pledged by an institution, the collateral eligible to pledge, and reporting requirements of the qualified public depositor to the Treasurer is defined by the Statute. Collateral is pooled in a multiple qualified depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2022.

NOTE 5 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liabilities for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

NOTE 6 – DUE FROM GOVERNMENTAL AGENCIES

The amounts due from governmental agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of the following as of June 30, 2022:

Capital Outlay	$ 15,621
Tax referendum funding	278,280
Elementary and Secondary School Emergency Relief Fund	190,866
Unified School Improvement Grant	198,500
	$ 683,267

These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is accrued.

NOTE 7 – RELATED PARTY TRANSACTIONS

The School operates another charter school, BCPMS. During 2022, the School shared its facility with BCPMS. Through the Board, management allocates a proportionate share of certain administrative salaries, facility and other expenses based on student enrollment. The School may also advance and repay amounts to the BCPMS and vice versa. As of June 30, 2022, the School had a receivable of $748,371 from BCPMS.

As of June 30, 2022, the School had a payable due to Corporate, in the amount of $427,137. Corporate transferred funds to the School to fund daily operations.

In July of 2018, Corporate issued $11,900,000 of Industrial Development Revenue Bonds to purchase the school facility. A lease agreement is renewed yearly by Corporate, the School, and Beacon College Prep Middle School (collectively, the "Schools") wherein the Schools agree to pay, their proportionate amounts, of the annual debt service on the bonded debt. The proportions of contributions by the Schools to pay these lease payments are based on student enrollment.

NOTE 8 – INTER-FUND BALANCES

Inter-fund receivables/payables ("Due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. Interfund balances in governmental funds as of June 30, 2022 consist of the following:

	General Fund	Special Revenue Fund	Capital Outlay Fund
Due to General Fund from Special Revenue Fund for:			
COVID-19 (ESSER)	$ 190,866	$ (190,866)	$ -
Unified school improvement grant	198,500	(198,500)	-
Capital Outlay Fund	15,621	-	(15,621)
Total Due from/(Due to) Funds	$ 404,987	$ (389,366)	$ (15,621)

NOTE 9 – LONG-TERM DEBT

In March 2020, the School took out a long-term loan of $65,295 for new and upgraded lighting throughout campus facilities. Half of this note payable was allocated to BCPMS via the due from related party account. The note payable bears interest at a rate of 6.8% per annum and repayment commenced on April 1, 2020 monthly through April 1, 2025. The balance of the note as of June 30, 2022 is $52,963. The following schedule shows a summary of the changes in this debt for the year ended June 30, 2022:

Balance 6/30/2021	Advances	Repayments	Balance 6/30/2022
$ 52,963	$ -	$ 12,216	$ 40,747

The current and long-term portions of this debt are as follows:

Total debt	$ 40,747
Less: Current portion	13,221
Total long-term debt	$ 27,526

As of June 30, 2022, the future principal and interest requirements to maturity under the note are as follows:

	Principal	Interest
2023	$ 13,221	$ 2,220
2024	14,149	1,292
2025	13,377	321
Total	$ 40,747	$ 3,833

NOTE 10 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

NOTE 11 – ELEMENTARY AND SECONDARY EMERGENCY RELIEF ("ESSER") FUNDS

The Elementary and Secondary Emergency Relief ("ESSER") Funds under the CARES Act are provided to Local Educational Agencies (LEAs) to address the impact that Covid-19 has had, and continues to have, on elementary and secondary schools in Florida. The School has received confirmation from the School District of Miami Dade County that $516,117 of the ESSER funding has been allocated to the School. As of June 30, 2022, $495,430 of allowable expenditures were incurred on or after March 13, 2020, the date the President declared the national emergency due to Covid-19, have been recognized as Federal revenue and expense.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

On July 1, 2021, the School implemented GASB No. 87 *Leases* and as a result, has recorded a right-of-use asset and liability of $7,454,172 in these financial statements for the facilities. The School used an interest rate of 7.0% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of July 1, 2021. During the year ended June 30, 2022, the interest expense related to the right-of-use liability was $521,590 and the amortization expense of the right to use assets was $268,619.

Annual requirements to amortize the lease liability and related interest are estimated as follows:

Fiscal Year	Principal Payments	Interest Payments	Total	
2022–2023	$ 25,062	$ 522,305	$ 547,367	
2023–2024	25,081	520,550	545,631	
2024–2025	25,102	518,793	543,895	
2025–2026	28,325	516,934	545,259	
2026–2027	34,647	514,751	549,398	
2027–2032	353,647	2,520,998	2,874,645	(Total for 5-year period)
2032–2037	74,556	2,334,273	3,008,829	(Total for 5-year period)
2037–2042	970,498	2,049,677	3,020,175	(Total for 5-year period)
2042–2047	1,365,594	1,646,739	3,012,333	(Total for 5-year period)
2047-2052	3,945,490	374,248	14,647,532	(Total for 5-year period)
	$ 7,448,002	$ 11,519,268	$ 29,295,064	

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

	Balance 6/30/2021	Additions	Decreases	Balance 6/30/2022
Right-of-use liability - Facilities	$ -	$ 7,454,172	$ (6,170)	$ 7,448,002
	$ -	$ 7,454,172	$ (6,170)	$ 7,448,002

NOTE 13 – IMPLICATIONS OF COVID-19

In March 2020, the World Health Organization declared the novel strain of coronavirus, COVID-19, a global pandemic (the "Pandemic") and recommended containment and mitigation measures worldwide.

The COVID-19 pandemic impacted the School, its teachers, its students and their families. The School opened fully for in-person learning in the fall of 2021 and no distance learning options were provided for students for the 2021-22 school year. The School's enrollment was adversely impacted by the nationwide teacher shortage and the dislocation of families in the low-income communities it serves. While every effort was made to recruit qualified teachers, the School was unable to fill all teaching positions for 2021-22 and therefore had to reduce the overall student enrollment. At the same time many of the families were forced to move due to rising rents and the cost of housing.

The full impact of the pandemic on the School's future depends on the ultimate duration and scope of the pandemic, the success of vaccination programs, and its impact on the School's staff, students and their families. Management is actively monitoring the global situation on its financial conditions, liquidity, operations, suppliers, industry, and workforce.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 19, 2022, the date in which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BEACON COLLEGE PREP ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	$ 3,471,607	$ 3,003,260	$ 3,003,260
Fundraising and other revenues	-	75,469	75,469
TOTAL REVENUES	3,471,607	3,078,729	3,078,729
EXPENDITURES			
Board	110,575	71,400	71,400
Central services	-	134	134
Facilities acquisition	252,893	281,947	-
Fiscal services	93,976	81,788	81,788
Instruction	1,559,290	1,033,187	1,033,187
Instructional support services	224,386	109,717	109,717
Maintenance of plant	59,667	26,008	26,008
Operation of plant	269,909	217,681	217,681
Pupil transportation services	152,734	3,495	3,495
School administration	409,578	495,540	495,540
Technology services	33,800	59,777	59,777
Capital Outlay:			
Other Capital Outlay	-	216,511	216,511
Debt service:			
Interest expense	-	2,506	284,453
Redemption of principal	-	12,216	12,216
TOTAL EXPENDITURES	3,166,808	2,611,907	2,611,907
NET CHANGE IN FUND BALANCE	$ 304,799	$ 466,822	$ 466,822

BEACON COLLEGE PREP ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal through state and local	$ 354,323	$ 983,117	$ 983,117
Federal lunch program	47,198	284,601	284,601
TOTAL REVENUES	401,521	1,267,718	1,267,718
EXPENDITURES			
Fiscal services	-	1,500	1,500
Food services	47,198	284,601	284,601
Instruction	354,323	843,964	843,964
Instructional support services	-	10,020	10,020
Maintenance of Plant	-	55,288	55,288
Operation of Plant	-	68,865	68,865
School administration	-	3,480	3,480
TOTAL EXPENDITURES	401,521	1,267,718	1,267,718
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -

BEACON COLLEGE PREP ELEMENTARY SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A – BUDGETARY INFORMATION

Budgetary Basis of Accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2022 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., capital outlay, salaries and purchased services).

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ P.A.
CERTIFIED PUBLIC ACCOUNTANTS

DAVID D. SHARFF, C.P.A. - DECEASED
STEVEN C. WITTMER, C.P.A. - DECEASED
JOSEPH M. KURTZ, C.P.A. - RETIRED
MICHAEL L. JACKSON, C.P.A. - RETIRED
MARTIN ROSEN, C.P.A. - RETIRED

LUIS E. DIAZ, C.P.A.
JOSEPH M. JACKSON, C.P.A.
AMY K. BEENKEN, C.P.A.
LAURA S. FEINBERG, C.P.A.

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
Beacon College Prep Elementary School
Opa Locka, 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 the Beacon College Prep Elementary School ("the "School"), as of and for the year ended June 30, 2022, 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 19, 2022.

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*.

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MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS · FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Beacon College Prep Elementary School

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.

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 19, 2022

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ P.A.
CERTIFIED PUBLIC ACCOUNTANTS

DAVID D. SHARFF, C.P.A. - DECEASED
STEVEN C. WITTMER, C.P.A. - DECEASED
JOSEPH M. KURTZ, C.P.A. - RETIRED
MICHAEL L. JACKSON, C.P.A. - RETIRED
MARTIN ROSEN, C.P.A. - RETIRED

LUIS E. DIAZ, C.P.A.
JOSEPH M. JACKSON, C.P.A.
AMY K. BEENKEN, C.P.A.
LAURA S. FEINBERG, C.P.A.

MANAGEMENT LETTER

To the Board of Directors
Beacon College Prep Elementary School
Opa Locka, Florida

Report on the Financial Statements

We have audited the financial statements of Beacon College Prep Elementary School (the "School"), a component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated September 19, 2022.

Auditor's Responsibility

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

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 19, 2022, 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 findings or recommendations made in the preceding annual 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 Beacon College Prep Elementary School, 134002.

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Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and 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.

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2022 is not deteriorating.

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 such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that 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 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 Beacon College Prep, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 19, 2022