

**BEACON COLLEGE PREP MIDDLE 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, 2023



CERTIFIED PUBLIC ACCOUNTANTS

BEACON COLLEGE PREP MIDDLE SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2023

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

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

2022-2023

BOARD OF DIRECTORS

Mr. Jeffrey Miller, President and Board Chairman
Mr. Patrick Range, Vice President
Ms. Melissa Krinzman, Secretary
Mr. Octavio Verdeja, Treasurer
Ms. Virginia Akar, Board Member
Ms. Gail A. Dotson, Board Member
Mr. Wilfredo Fernandez, Board Member

SCHOOL ADMINISTRATION

Mr. Patrick Evans, Principal
Mr. John Flickinger, Director of Development
Mr. Carlos Gonzalez, Governing Board Liaison



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.
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AMY K. BEENKEN, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beacon College Prep Middle 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 Middle 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, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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.

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 5-9 and 26-27 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 Middle 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, 2023, 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, 2023 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.



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

Coral Gables, Florida
September 15, 2023



CERTIFIED PUBLIC ACCOUNTANTS

**BEACON COLLEGE PREP MIDDLE SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The corporate officers of Beacon College Prep Middle School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

1. At June 30, 2023, the School had current assets of \$907,620
2. At June 30, 2023, the School had a positive net position of \$68,225
3. For the year ended June 30, 2023, the School's expenses exceeded revenues by \$296,166.

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, 2023 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 10 – 11 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 12-15 of this report.

**BEACON COLLEGE PREP MIDDLE SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Notes to Basic Financial Statements

The notes to the basic 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 16 – 25 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, 2023 and 2022 follows:

	2023	2022
ASSETS		
Cash	\$ 314,746	\$ 208,233
Prepaid expenses	-	27,035
Due from governmental agencies, net	221,885	467,454
Due from related party	370,989	405,000
Capital assets, net	143,178	231,755
Right-of-use asset, net	4,264,403	4,442,691
TOTAL ASSETS	\$ 5,315,201	\$ 5,782,168
LIABILITIES AND NET POSITION		
Accounts payable	\$ 6,380	\$ 1,191
Salaries, benefits and payroll taxes payable	72,246	63,256
Due to related parties	579,972	748,371
Right-of-use liability	4,588,378	4,604,958
Total Liabilities	5,246,976	5,417,776
Net investment in capital assets and right-of use asset	(180,797)	69,488
Unrestricted	249,022	294,904
Total Net Position	68,225	364,392
TOTAL LIABILITIES AND NET POSITION	\$ 5,315,201	\$ 5,782,168

At June 30, 2023, the School's total assets were \$5,315,202 and total liabilities were \$5,246,975. At June 30, 2022, the School reported total net position of \$68,225.

**BEACON COLLEGE PREP MIDDLE SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 follows:

	2023	2022
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 822,108	\$ 612,459
State capital outlay funding	117,138	134,220
General Revenues		
FEFP nonspecific revenue	1,658,372	1,542,575
Forgiveness of related party debt	100,000	-
Fundraising and other revenue	4,620	-
Total Revenues	2,702,238	2,289,254
EXPENSES		
Board	46,338	46,337
Central services	6	55
Fiscal services	22,996	27,946
Food services	161,109	98,370
Instruction	1,326,628	1,126,306
Instructional support services	65,181	93,156
Interest expense	344,288	322,489
Maintenance of plant	84,334	95,512
Operation of plant	234,222	220,484
Pupil transportation services	1,505	-
School administration	337,520	331,201
Technology services	33,891	33,695
Unallocated amortization and depreciation expense	340,387	319,646
Total Expenses	2,998,405	2,715,197
Change in Net Position	(296,167)	(425,943)
Net Position at Beginning of Year	364,392	790,335
Net Position at End of Year	\$ 68,225	\$ 364,392

The School's total revenues for the year ended June 30, 2023 were \$2,702,238 while its total expenses were \$2,998,404 for a net decrease in net position of \$296,166.

ACCOMPLISHMENTS

Beacon College Prep Middle School was able to improve it's schoolwide proficiency in Reading, Science, and Civics when compared to the previous school year. 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 Middle School students demonstrated significant learning gains post pandemic is a testament to the quality of BCP'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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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 \$249,023 and a net decrease in fund balance of \$45,881.

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital and right-of-use assets, as of June 30, 2023, amounts to \$4,407,582 (net of accumulated depreciation and amortization of \$1,045,017). This investment includes right-of-use asset related to facilities, leasehold improvements, furniture, fixtures and equipment, computer equipment and software.

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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 776,831	\$ 1,658,372	\$ 1,658,372
Local sources	252,547	200,738	200,738
Federal sources	670,612	460,261	460,261
Federal lunch program	168,632	161,109	161,109
State capital outlay funding	139,536	117,138	117,138
Fundraising and other revenues	-	4,620	4,620
TOTAL REVENUES	<u>2,008,158</u>	<u>2,602,238</u>	<u>2,602,238</u>
EXPENDITURES			
Current:			
Board	46,338	46,338	46,338
Central services	-	6	6
Facilities acquisition	33,694	359,918	-
Fiscal services	27,946	22,996	22,996
Food services	168,632	161,109	161,109
Instruction	1,016,784	1,326,628	1,326,628
Instructional support services	5,186	65,181	65,181
Maintenance of plant	135,450	84,334	84,334
Operation of plant	1,092,680	234,222	234,222
Pupil transportation services	-	1,505	1,505
School administration	385,183	337,520	337,520
Technology services	-	33,891	33,891
Capital Outlay:			
Other capital outlay	-	73,523	73,523
Debt Service:			
Interest expense	-	949	344,288
Redemption of principal	-	-	16,579
Loan forgiven by debtor	-	(100,000)	(100,000)
TOTAL EXPENDITURES	<u>2,911,893</u>	<u>2,648,120</u>	<u>2,648,120</u>
Net Change in Fund Balance	<u>\$ (903,734)</u>	<u>\$ (45,882)</u>	<u>\$ (45,882)</u>

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. Carlos Gonzalez at Beacon College Prep Middle School.

**BEACON COLLEGE PREP MIDDLE SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 314,746
Due from governmental agencies, net	221,885
Due from related party	<u>370,989</u>
Total current assets	<u>907,620</u>
Capital assets, net	143,178
Right-of-use asset, net	<u>4,264,403</u>
TOTAL ASSETS	<u><u>\$ 5,315,201</u></u>
 LIABILITIES AND NET POSITION	
Current liabilities:	
Accounts payable	\$ 6,380
Salaries, benefits and payroll taxes payable	72,246
Due to related party	579,972
Right-of-use liability, current portion	<u>15,372</u>
Total current liabilities	<u>673,970</u>
Right-of-use liability, net of current portion	<u>4,573,006</u>
Total liabilities	<u>5,246,976</u>
Net position:	
Net investment in capital assets and right-of use asset	(180,797)
Unrestricted	<u>249,022</u>
Total net position	<u>68,225</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 5,315,201</u></u>

**BEACON COLLEGE PREP MIDDLE SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Board	\$ 46,338	\$ -	\$ -	\$ -	\$ (46,338)
Central services	6	-	-	-	(6)
Fiscal services	22,996	-	-	-	(22,996)
Food services	161,109	-	161,109	-	-
Instruction	1,326,628	-	430,075	-	(896,553)
Instructional support services	65,181	-	5,305	-	(59,876)
Interest expense	344,288	-	-	117,138	(227,150)
Maintenance of plant	84,334	-	24,881	-	(59,453)
Operation of plant	234,222	-	-	-	(234,222)
Pupil transportation services	1,505	-	-	-	(1,505)
School administration	337,520	-	-	-	(337,520)
Technology services	33,891	-	-	-	(33,891)
Unallocated depreciation and amortization expense	340,387	-	-	-	(340,387)
Total Governmental Activities	\$ 2,998,405	\$ -	\$ 621,370	\$ 117,138	\$ (2,259,897)
GENERAL REVENUES:					
Government grants not restricted to specific programs					\$ 1,658,372
Local sources					200,738
Forgiveness of related party debt					100,000
Fundraising and other revenue					4,620
Total general revenues					1,963,730
Change in Net Position					(296,167)
NET POSITION - BEGINNING					364,392
NET POSITION - ENDING					\$ 68,225

Read independent auditor's report and notes to the financial statements.

**BEACON COLLEGE PREP MIDDLE SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Governmental Fund
ASSETS				
Cash	\$ 314,746	\$ -	\$ -	\$ 314,746
Due from governmental agencies, net	-	215,906	5,979	221,885
Due from related party	370,989	-	-	370,989
Due from other funds	221,885	-	-	221,885
TOTAL ASSETS	\$ 907,620	\$ 215,906	\$ 5,979	\$ 1,129,505
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,380	-	-	\$ 6,380
Salaries, benefits and payroll taxes payable	72,246	-	-	72,246
Due to related party	579,972	-	-	579,972
Due to other funds	-	215,906	5,979	221,885
Total Current Liabilities	658,598	215,906	5,979	880,483
	-			
Fund Balance				
Unassigned	249,022	-	-	249,022
Total Fund Balance	249,022	-	-	249,022
TOTAL LIABILITIES AND FUND BALANCE	\$ 907,620	\$ 215,906	\$ 5,979	\$ 1,129,505

**BEACON COLLEGE PREP MIDDLE SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balance - Governmental Funds	\$ 249,022
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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	843,825
	Accumulated depreciation	(700,647)

Right-to-use asset and liability used in governmental activities are not financial resources or obligations and therefore are not reported.	Right-of-use asset	4,264,403
	Right-of-use liability	(4,588,378)

Total Net Position - Governmental Activities	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 68,225</td> </tr> </table>	\$ 68,225
\$ 68,225		

BEACON COLLEGE PREP MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
REVENUES				
State passed through local	\$ 1,658,372	\$ -	\$ -	\$ 1,658,372
Local sources	200,738	-	-	200,738
Federal sources	-	460,261	-	460,261
Federal lunch program	-	161,109	-	161,109
State capital outlay funding	-	-	117,138	117,138
Fundraising and other revenues	4,620	-	-	4,620
TOTAL REVENUES	<u>1,863,730</u>	<u>621,370</u>	<u>117,138</u>	<u>2,602,238</u>
EXPENDITURES				
Current:				
Board	46,338	-	-	46,338
Central Services	6	-	-	6
Fiscal services	22,996	-	-	22,996
Food services	-	161,109	-	161,109
Instruction	896,553	430,075	-	1,326,628
Instructional support services	59,876	5,305	-	65,181
Maintenance of plant	59,453	24,881	-	84,334
Operation of plant	234,222	-	-	234,222
Pupil transportation services	1,505	-	-	1,505
School administration	337,520	-	-	337,520
Technology services	33,891	-	-	33,891
Capital Outlay:				
Other capital outlay	73,523	-	-	73,523
Debt Service:				
Interest expense	243,729	-	100,559	344,288
Redemption of principal	-	-	16,579	16,579
Loan forgiven by debtor	(100,000)	-	-	(100,000)
TOTAL EXPENDITURES	<u>1,909,612</u>	<u>621,370</u>	<u>117,138</u>	<u>2,648,120</u>
Net change in fund balance	(45,882)	-	-	(45,882)
Fund balance at beginning of year	<u>294,904</u>	<u>-</u>	<u>-</u>	<u>294,904</u>
Fund balance at end of year	<u>\$ 249,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,022</u>

**BEACON COLLEGE PREP MIDDLE 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, 2023**

Change in Fund Balance - Governmental Funds \$ (45,882)

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	73,523
Depreciation expense	(162,099)

Governmental funds report right-of-use assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense.

Redemption of principal	16,579
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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	(178,288)
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Change in Net Position of Governmental Activities

\$ (296,167)

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Beacon College Prep Middle 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, 2023, 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. On May 17, 2023, the School Board approved a Charter School Contract Consolidation between the School and Beacon College Prep Elementary School ("BCPES"), consolidating into a single school and charter contract under the new school name of Beacon College Prep K-8. The Charter School Contract Consolidation was approved for a fifteen-year commencing on July 1, 2023 and ending on June 30, 2038.

These financial statements are for the year ended June 30, 2023 when 213 students were enrolled in sixth through eighth 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*.

Allocation of Common Expenses

The School shares the same physical location with BCPES, 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 and 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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Any internal interfund activity has been eliminated from these financial statements. 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 and (2) operating grants and contributions which finance annual operating activities. 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 or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 substantially all received 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.

Local Sources

Local sources are from a Secure Our Future Referendum on ad valorem taxes. Miami Dade County voters approved two referendums: in 2018 and in 2022. Funding from the referendum will be used to increase teacher compensation and improve school safety and security.

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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, was (\$180,796).

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, 2023.

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, 2023, the School did not have a 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, 2023, 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, 2023, 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, 2023, there is no assigned fund balance.

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

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, 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.

Date of Management's Review

Subsequent events were evaluated through September 15, 2023, the date in which the financial statements were available to be issued.

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSETS

The following schedule provides a summary of changes in capital assets for the year ended June 30, 2023:

Capital Assets:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital Assets				
Improvements to property	\$ 59,518	\$ -	\$ -	\$ 59,518
Furniture, fixtures & equipment	286,054	7,067	-	293,121
Computer equipment & software	230,404	24,499	-	254,903
Textbooks	194,327	41,956	-	236,283
Total Capital Assets	<u>770,303</u>	<u>73,522</u>	<u>-</u>	<u>843,825</u>
Less Accumulated Depreciation				
Improvements to property	(26,338)	(11,921)	-	(38,259)
Furniture, fixtures & equipment	(194,425)	(57,894)	-	(252,319)
Computer equipment & software	(197,441)	(34,902)	-	(232,343)
Textbooks	(120,344)	(57,382)	-	(177,726)
Total Accumulated Depreciation	<u>(538,548)</u>	<u>(162,099)</u>	<u>-</u>	<u>(700,647)</u>
Capital Assets, net	<u>\$ 231,755</u>	<u>\$ (88,577)</u>	<u>\$ -</u>	<u>\$ 143,178</u>

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 57,382
Maintenance of plant	11,921
School administration	92,796
Total depreciation	\$ 162,099

Right-of-Use Asset:

The School has recorded right-to-use asset as a result of implementing GASB Statement No. 87. The Property Under Lease are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made. The Property Under Lease are amortized on a straight-line basis over the shorter of the life of the assets or of the related lease.

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Right-of-use asset	\$ 4,608,773	\$ -	\$ -	\$ 4,608,773
Less: accumulated amortization	(166,082)	(178,288)	-	(344,370)
Right-of-use asset, net	\$ 4,442,691	\$ (178,288)	\$ -	\$ 4,264,403

Amortization expense for the year ended June 30, 2023 was \$178,288, 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, 2023, the School incurred service fees of \$22,883.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, the carrying amount and the bank balance of the School's operating cash deposit account was \$314,746.

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 depository 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, 2023.

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 liability 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, 2023:

Elementary and Secondary School Emergency Relief Fund	\$ 215,906
Capital outlay	5,979
Tax referendum funding	<u>158,465</u>
	380,350
Less: allowance for uncollectible accounts	<u>(158,465)</u>
	<u><u>\$ 221,885</u></u>

The 2018 referendum, mentioned in Note 1, did not originally include Charter Schools. Subsequently, the District informed the Charter Schools they will be entitled to funds related to the 2018 referendum. The School recognized the estimated referendum funding relating to the 2018 referendum as revenue in fiscal year 2022. In fiscal year 2023, new factors surrounding the collectability of 2018 referendum funding arose and the School established an allowance for uncollectible accounts, which totaled \$158,465 as of June 30, 2023.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – RELATED PARTY TRANSACTIONS

The Corporate operates another charter school, BCPES. During 2023, the School shared its facility with BCPES. 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 BCPES and vice versa. During 2023, BCPES forgave \$100,000 of the School's balance due. As of June 30, 2023, the School had a payable of \$579,972 to BCPES.

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 Elementary 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.

As of June 30, 2023, the School had a due from Corporate, in the amount of \$370,989. The School transferred funds to Corporate to fund a money market account used to provide broader FDIC deposit insurance coverage.

NOTE 8 – 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 9 – 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 \$1,091,442 of the ESSER III funding has been allocated to the School. As of June 30, 2023, \$374,243 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 10 – 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 \$4,608,773 in these financial statements for the facilities as disclosed in Note 7 above. 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, 2023, the interest expense related to the right-of-use liability was \$343,339 and the amortization expense of the right of use asset was \$178,288.

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>	
2023–2024	\$ 15,373	\$ 319,046	\$ 334,419	
2024–2025	15,385	317,970	333,355	
2025–2026	17,361	316,830	334,191	
2026–2027	21,235	315,493	336,728	
2027–2032	216,752	1,545,128	1,761,880	(Total for 5-year period)
2032–2037	413,437	1,430,684	1,844,121	(Total for 5-year period)
2037–2042	594,821	1,256,254	1,851,075	(Total for 5-year period)
2042–2047	871,811	1,009,291	1,881,102	(Total for 5-year period)
2047–2052	2,422,203	229,378	2,651,581	(Total for 5-year period)
	<u>\$ 4,588,378</u>	<u>\$ 6,740,074</u>	<u>\$ 11,328,452</u>	

The following schedule provides a summary of changes in the right-of-use liability - facilities for the year ended June 30, 2023:

	<u>Balance 6/30/2022</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance 6/30/2023</u>
Right-of-use liability - Facilities	\$ 4,604,958	\$ -	\$ (16,580)	\$ 4,588,378

NOTE 11 – 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, 2023 consist of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Outlay Fund</u>
Due to General Fund from Special Revenue Fund for:			
COVID-19 (ESSER)	\$ 215,906	\$ (215,906)	\$ -
Capital Outlay Fund	5,979	-	(5,979)
Total Due from/(Due to) Funds	<u>\$ 221,885</u>	<u>\$ (215,906)</u>	<u>\$ (5,979)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BEACON COLLEGE PREP MIDDLE SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 776,831	\$ 1,658,372	\$ 1,658,372
Local sources	252,547	200,738	200,738
Fundraising and other revenues	-	4,620	4,620
TOTAL REVENUES	<u>1,029,378</u>	<u>1,863,730</u>	<u>1,863,730</u>
EXPENDITURES			
Current:			
Board	46,338	46,338	46,338
Central Services	-	6	6
Facilities Acquisition	(105,842)	242,780	-
Fiscal Services	27,946	22,996	22,996
Instruction	887,087	896,553	896,553
Instructional and curriculum development services	5,186	59,876	59,876
Maintenance of plant	135,450	59,453	59,453
Operation of plant	551,765	234,222	234,222
Pupil transportation services	-	1,505	1,505
School administration	385,183	337,520	337,520
Technology Services	-	33,891	33,891
Capital Outlay:			
Other capital outlay	-	73,523	73,523
Debt Service			
Interest expense	-	949	243,729
Redemption of principal	-	-	-
Loan forgiven by debtor	-	(100,000)	(100,000)
TOTAL EXPENDITURES	<u>1,933,113</u>	<u>1,909,612</u>	<u>1,909,612</u>
NET CHANGE IN FUND BALANCE	<u>\$ (903,735)</u>	<u>\$ (45,882)</u>	<u>\$ (45,882)</u>

**BEACON COLLEGE PREP MIDDLE SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 670,612	\$ 460,261	\$ 460,261
Federal lunch program	168,632	161,109	161,109
TOTAL REVENUES	<u>839,244</u>	<u>621,370</u>	<u>621,370</u>
EXPENDITURES			
Instruction	129,697	430,075	430,075
Instructional and curriculum development services	-	5,305	5,305
Food services	168,632	161,109	161,109
Maintenance of plant	-	24,881	24,881
Operation of plant	540,915	-	-
TOTAL EXPENDITURES	<u>839,244</u>	<u>621,370</u>	<u>621,370</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BEACON COLLEGE PREP MIDDLE SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 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).

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 Middle 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 Middle School ("the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 15, 2023.

Report on Internal Control over Financial Reporting

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

Board of Directors
Beacon College Prep Middle 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.
Certified Public Accountants

Coral Gables, Florida
September 15, 2023



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 Middle School
Opa Locka, Florida

Report on the Financial Statements

We have audited the financial statements of Beacon College Prep Middle 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, 2023, and have issued our report thereon dated September 15, 2023.

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 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 Middle School, 136034.

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, 2023 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 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 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.
Certified Public Accountants

Coral Gables, Florida
September 15, 2023

