

**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, 2023**



CERTIFIED PUBLIC ACCOUNTANTS

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

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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

**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. Wifredo 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.  
JOSEPH M. JACKSON, C.P.A.  
AMY K. BEENKEN, C.P.A.  
LAURA S. FEINBERG, C.P.A.

## 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, 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.

To the Board of Directors  
Beacon College Prep Elementary School

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.

#### **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.



To the Board of Directors  
Beacon College Prep Elementary School

**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 the 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 ELEMENTARY SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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, 2023.

**FINANCIAL HIGHLIGHTS**

1. At June 30, 2023, the School had current assets of \$1,337,484
2. At June 30, 2023, the School had a positive net position of \$407,097
3. For the year ended June 30, 2023, the School's expenses exceeded revenues by \$644,948.

**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 ELEMENTARY 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         |
|---|--------------|--------------|
| <b>ASSETS</b>                                     |              |              |
| Cash  | \$ 58,004    | \$ 198,544   |
| Due from governmental agencies, net               | 698,369      | 683,267      |
| Prepaid expenses                                  | 1,140        | 88,254       |
| Due from related parties                          | 579,971      | 748,371      |
| Capital assets - net                              | 325,879      | 287,507      |
| Right-of-use asset                                | 6,929,141    | 7,185,553    |
| Deposit   | 12,223       | 12,223       |
| TOTAL ASSETS                                      | \$ 8,604,727 | \$ 9,203,719 |
| <br><b>LIABILITIES AND NET POSITION</b>           |              |              |
| Accounts payable                                  | \$ -         | \$ 2,897     |
| Salaries, benefits and payroll taxes payable      | 241,960      | 232,891      |
| Due to related parties                            | 503,837      | 427,137      |
| Long-term debt                                    | 27,675       | 40,747       |
| Right-of-use liability                            | 7,424,158    | 7,448,002    |
| Total liabilities                                 | 8,197,630    | 8,151,674    |
| Net investment in capital and right-to-use assets | (196,813)    | (15,689)     |
| Unrestricted                                      | 603,910      | 1,067,734    |
| Total net position                                | 407,097      | 1,052,045    |
| TOTAL LIABILITIES AND NET POSITION                | \$ 8,604,727 | \$ 9,203,719 |

At June 30, 2023, the School's total assets were \$8,604,727 and total liabilities were \$8,197,630. At June 30, 2022, the School reported total net position of \$407,097.



**BEACON COLLEGE PREP ELEMENTARY 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         |
|---|--------------|--------------|
| <b>REVENUES</b>                                   |              |              |
| Program Revenues:                                 |              |              |
| Operating grants and contributions                | \$ 1,088,397 | \$ 1,267,718 |
| State capital outlay funding                      | 215,690      | 245,813      |
| General Revenues:                                 |              |              |
| FEFP nonspecific revenue                          | 2,599,396    | 2,724,980    |
| Local sources                                     | 295,701      | 278,280      |
| Fundraising and other revenue                     | 83,671       | 75,469       |
| Total Revenues                                    | \$ 4,282,855 | \$ 4,592,260 |
| <b>EXPENSES</b>                                   |              |              |
| Board   | \$ 90,802    | \$ 71,400    |
| Central services                                  | 28           | 134          |
| Fiscal services                                   | 71,343       | 83,288       |
| Food services                                     | 289,430      | 284,601      |
| Instruction                                       | 2,420,498    | 1,877,151    |
| Instructional support services                    | 107,664      | 119,737      |
| Interest expense                                  | 495,336      | 524,096      |
| Maintenance of plant                              | 111,347      | 81,296       |
| Operation of plant                                | 349,493      | 286,546      |
| Pupil transportation services                     | 3,654        | 3,495        |
| School administration                             | 499,796      | 499,020      |
| Technology services                               | 56,278       | 59,777       |
| Unallocated amortization and depreciation expense | 432,134      | 388,510      |
| Total Expenses                                    | \$ 4,927,803 | \$ 4,279,051 |
| Change in Net Position                            | (644,948)    | 313,209      |
| <b>Net Position at Beginning of Year</b>          | 1,052,045    | 738,836      |
| <b>Net Position at End of Year</b>                | \$ 407,097   | \$ 1,052,045 |

For the year ended June 30, 2023, the School's total revenues were \$4,282,855 while its total expenses were \$4,927,803 for a net decrease in net position of \$644,948.

**ACCOMPLISHMENTS**

Beacon College Prep Elementary 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 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 28<sup>th</sup> Avenue, Opa Locka, FL 33054.

**BEACON COLLEGE PREP ELEMENTARY 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 \$603,910 and a net decrease in fund balance of \$463,824.

**CAPITAL AND RIGHT-OF-USE ASSETS**

The School's investment in capital and right-of-use assets, as of June 30, 2023, amounts to \$7,255,020 (net of accumulated depreciation of \$1,277,670). 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, 2023, the School has one long-term loan with a balance of \$27,676. 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.

**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 ELEMENTARY SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

|                                      | All Governmental Funds |                     |                     |
|--------------------------------------|------------------------|---------------------|---------------------|
|                                      | Original Budget        | Final Budget        | Actual              |
| <b>REVENUES</b>                      |                        |                     |                     |
| State passed through local           | \$ 2,401,945           | \$ 2,599,396        | \$ 2,599,396        |
| Federal sources                      | 1,559,519              | 798,967             | 798,967             |
| Local sources                        | 347,954                | 295,701             | 295,701             |
| Federal lunch program                | 303,884                | 289,430             | 289,430             |
| State capital outlay funding         | 220,193                | 215,690             | 215,690             |
| Other sources                        | 67,602                 | 83,671              | 83,671              |
| TOTAL REVENUES                       | <u>4,901,097</u>       | <u>4,282,855</u>    | <u>4,282,855</u>    |
| <b>EXPENDITURES</b>                  |                        |                     |                     |
| <b>Current:</b>                      |                        |                     |                     |
| Board                                | 41,356                 | 90,802              | 90,802              |
| Central services                     | -                      | 28                  | 28                  |
| Facilities                           | 530,260                | 517,632             | -                   |
| Fiscal services                      | 138,429                | 71,343              | 71,343              |
| Food services                        | 303,884                | 289,430             | 289,430             |
| Instruction                          | 1,779,565              | 2,420,498           | 2,420,498           |
| Instructional support services       | 1,239                  | 107,664             | 107,664             |
| Maintenance of plant                 | 81,294                 | 111,347             | 111,347             |
| Operation of plant                   | 1,379,097              | 349,493             | 349,493             |
| Pupil transportation services        | -                      | 3,654               | 3,654               |
| School administration                | 481,217                | 499,796             | 499,796             |
| Technology services                  | -                      | 56,278              | 56,278              |
| <b>Capital Outlay:</b>               |                        |                     |                     |
| Capital outlay                       | -                      | 214,093             | 214,093             |
| <b>Debt Service</b>                  |                        |                     |                     |
| Interest                             | -                      | 1,548               | 495,336             |
| Redemption of principal              | -                      | 13,073              | 36,917              |
| TOTAL EXPENDITURES                   | <u>4,736,341</u>       | <u>4,746,679</u>    | <u>4,746,679</u>    |
| Excess of revenues over expenditures | 164,756                | (463,824)           | (463,824)           |
| Net Change in Fund Balance           | <u>\$ 164,756</u>      | <u>\$ (463,824)</u> | <u>\$ (463,824)</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 Elementary School.

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

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                     |                                    |
| <b>Current assets:</b>                            |                                    |
| Cash and cash equivalents                         | \$ 58,004                          |
| Due from governmental agency                      | 698,369                            |
| Prepaid expenditures                              | 1,140                              |
| Due from related parties                          | <u>579,971</u>                     |
| Total current assets                              | <u>1,337,484</u>                   |
| Capital assets - net                              | 325,879                            |
| Right-of-use asset, net                           | 6,929,141                          |
| Deposits  | <u>12,223</u>                      |
| <br>  |                                    |
| TOTAL ASSETS                                      | <u><u>\$ 8,604,727</u></u>         |
| <br>  |                                    |
| <b>LIABILITIES AND NET POSITION</b>               |                                    |
| <b>Current liabilities:</b>                       |                                    |
| Accounts payable                                  | \$ -                               |
| Salaries, benefits and payroll taxes payable      | 241,960                            |
| Due to related parties                            | 503,837                            |
| Right-of-use liability, current portion           | 24,998                             |
| Current portion of long-term debt                 | <u>14,149</u>                      |
| Total current liabilities                         | 784,944                            |
| Long-term debt                                    | 13,526                             |
| Right-of-use liability, net of current portion    | <u>7,399,160</u>                   |
| Total Liabilities                                 | <u>8,197,630</u>                   |
| <b>Net position:</b>                              |                                    |
| Net investment in capital and right-of use assets | (196,813)                          |
| Unrestricted                                      | <u>603,910</u>                     |
| Total Net Position                                | <u>407,097</u>                     |
| <br>  |                                    |
| TOTAL LIABILITIES AND NET POSITION                | <u><u>\$ 8,604,727</u></u>         |

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

| Functions   | Expenses            | Program Revenues        |                                       |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Assets |
|---|---------------------|-------------------------|---------------------------------------|--|--|
|   |                     | Charges for<br>Services | Operating Grants<br>and Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>Governmental Activities:</b>                       |                     |                         |                                       |  |  |
| Board   | \$ 90,802           | \$ -                    | \$ -                                  | \$ -                                   | \$ (90,802)  |
| Central services                                      | 28                  | -                       | -                                     | -                                      | (28)   |
| Fiscal services                                       | 71,343              | -                       | -                                     | -                                      | (71,343)   |
| Food services   | 289,430             | -                       | 289,430                               | -                                      | -  |
| Instruction   | 2,420,498           | -                       | 762,137                               | -                                      | (1,658,361)  |
| Instructional support services                        | 107,664             | -                       | -                                     | -                                      | (107,664)  |
| Interest expense                                      | 495,336             | -                       | -                                     | 215,690                                | (279,646)  |
| Maintenance of plant                                  | 111,347             | -                       | 28,089                                | -                                      | (111,347)  |
| Operation of plant                                    | 349,493             | -                       | 5,012                                 | -                                      | (344,481)  |
| Pupil transportation services                         | 3,654               | -                       | -                                     | -                                      | (3,654)  |
| School administration                                 | 499,796             | -                       | 3,729                                 | -                                      | (496,067)  |
| Technology services                                   | 56,278              | -                       | -                                     | -                                      | (56,278)   |
| Unallocated depreciation and<br>amortization expenses | 432,134             | -                       | -                                     | -                                      | (432,134)  |
| <b>Total Governmental Activities</b>                  | <b>\$ 4,927,803</b> | <b>\$ -</b>             | <b>\$ 1,468,333</b>                   | <b>\$ 215,690</b>                      | <b>\$ (3,623,716)</b>                                    |
| <b>GENERAL REVENUES:</b>                              |                     |                         |                                       |  |  |
| Government grants not restricted to specific programs |                     |                         |                                       |  | \$ 2,599,396   |
| Local sources   |                     |                         |                                       |  | 295,701  |
| Fundraising and other revenue                         |                     |                         |                                       |  | 83,671   |
| Total General Revenues                                |                     |                         |                                       |  | 2,978,768  |
| Change in Net Position                                |                     |                         |                                       |  | (644,948)  |
| NET POSITION - BEGINNING                              |                     |                         |                                       |  | 1,052,045  |
| NET POSITION - ENDING                                 |                     |                         |                                       |  | <u>\$ 407,097</u>  |

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

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

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Capital Outlay<br>Fund | Governmental<br>Fund |
|--|---------------------|----------------------------|------------------------|----------------------|
| <b>ASSETS</b>                                |                     |                            |                        |                      |
| Cash   | \$ 58,004           | \$ -                       | \$ -                   | \$ 58,004            |
| Due from governmental agency                 | -                   | 682,448                    | 15,921                 | 698,369              |
| Prepaid expenditures                         | 1,140               | -                          | -                      | 1,140                |
| Due from related parties                     | 579,971             | -                          | -                      | 579,971              |
| Due from other Fund                          | 698,369             | -                          | -                      | 698,369              |
| Deposits                                     | 12,223              | -                          | -                      | 12,223               |
| <b>TOTAL ASSETS</b>                          | <b>\$ 1,349,707</b> | <b>\$ 682,448</b>          | <b>\$ 15,921</b>       | <b>\$ 2,048,076</b>  |
| <b>LIABILITIES AND FUND BALANCES</b>         |                     |                            |                        |                      |
| <b>Liabilities</b>                           |                     |                            |                        |                      |
| Accounts payable                             | \$ -                | \$ -                       | \$ -                   | -                    |
| Salaries, benefits and payroll taxes payable | 241,960             | -                          | -                      | 241,960              |
| Due to related party                         | 503,837             | -                          | -                      | 503,837              |
| Due to other funds                           | -                   | 682,448                    | 15,921                 | 698,369              |
| <b>Total Liabilities</b>                     | <b>745,797</b>      | <b>682,448</b>             | <b>15,921</b>          | <b>1,444,166</b>     |
| <b>Fund Balance</b>                          |                     |                            |                        |                      |
| Non-spendable                                |                     |                            |                        |                      |
| Deposit                                      | 12,223              | -                          | -                      | 12,223               |
| Prepaid expenditures                         | 1,140               | -                          | -                      | 1,140                |
| Unassigned                                   | 590,547             | -                          | -                      | 590,547              |
| <b>Total Fund Balance</b>                    | <b>603,910</b>      | <b>-</b>                   | <b>-</b>               | <b>603,910</b>       |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>    | <b>\$ 1,349,707</b> | <b>\$ 682,448</b>          | <b>\$ 15,921</b>       | <b>\$ 2,048,076</b>  |

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

|   |  |            |
|---|--|------------|
| Total Fund Balance - Governmental Funds |  | \$ 603,910 |
|---|--|------------|

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<br>Accumulated depreciation | 1,078,518<br>(752,639) |
|--|--|------------------------|

|   |  |                          |
|---|--|--------------------------|
| 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<br>Right-of-use liability | 6,929,141<br>(7,424,158) |
|---|--|--------------------------|

|  |              |          |
|--|--------------|----------|
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | Loan payable | (27,675) |
|--|--------------|----------|

|  |  |            |
|--|--|------------|
| Total Net Position - Governmental Activities |  | \$ 407,097 |
|--|--|------------|

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

|                                   | General Fund     | Special<br>Revenue Fund | Capital Projects<br>Fund | Total<br>Governmental |
|-----------------------------------|------------------|-------------------------|--------------------------|-----------------------|
| <b>REVENUES</b>                   |                  |                         |                          |                       |
| State passed through local        | \$ 2,599,396     | \$ -                    | \$ -                     | \$ 2,599,396          |
| Federal sources                   | -                | 798,967                 | -                        | 798,967               |
| Local sources                     | 295,701          | -                       | -                        | 295,701               |
| Federal lunch program             | -                | 289,430                 | -                        | 289,430               |
| Capital outlay                    | -                | -                       | 215,690                  | 215,690               |
| Fundraising and other revenues    | 83,671           | -                       | -                        | 83,671                |
| <b>TOTAL REVENUES</b>             | <b>2,978,768</b> | <b>1,088,397</b>        | <b>215,690</b>           | <b>4,282,855</b>      |
| <b>EXPENDITURES</b>               |                  |                         |                          |                       |
| <b>Current:</b>                   |                  |                         |                          |                       |
| Board                             | 90,802           | -                       | -                        | 90,802                |
| Central Services                  | 28               | -                       | -                        | 28                    |
| Fiscal services                   | 71,343           | -                       | -                        | 71,343                |
| Food services                     | -                | 289,430                 | -                        | 289,430               |
| Instruction                       | 1,658,361        | 762,137                 | -                        | 2,420,498             |
| Instructional support services    | 107,664          | -                       | -                        | 107,664               |
| Maintenance of plant              | 83,258           | 28,089                  | -                        | 111,347               |
| Operation of plant                | 344,481          | 5,012                   | -                        | 349,493               |
| Pupil transportation services     | 3,654            | -                       | -                        | 3,654                 |
| School administration             | 496,067          | 3,729                   | -                        | 499,796               |
| Technology services               | 56,278           | -                       | -                        | 56,278                |
| <b>Capital Outlay:</b>            |                  |                         |                          |                       |
| Other capital outlay              | 214,093          | -                       | -                        | 214,093               |
| <b>Debt Service:</b>              |                  |                         |                          |                       |
| Interest expense                  | 303,490          | -                       | 191,846                  | 495,336               |
| Redemption of principal           | 13,073           | -                       | 23,844                   | 36,917                |
| <b>TOTAL EXPENDITURES</b>         | <b>3,442,592</b> | <b>1,088,397</b>        | <b>215,690</b>           | <b>4,746,679</b>      |
| Net change in fund balance        | (463,824)        | -                       | -                        | (463,824)             |
| Fund balance at beginning of year | 1,067,734        | -                       | -                        | 1,067,734             |
| Fund balance at end of year       | \$ 603,910       | \$ -                    | \$ -                     | \$ 603,910            |



**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, 2023**

Change in Fund Balance - Governmental Funds \$ (463,824)

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<br>outlay       | 214,094   |
|  | Depreciation<br>expense | (175,722) |

|  |                         |           |
|--|-------------------------|-----------|
| 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<br>expense | (256,412) |
|--|-------------------------|-----------|

|   |                            |        |
|---|----------------------------|--------|
| The proceeds from loans and right-to-use liability provide current financial resources to governmental funds but increase 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<br>of principal | 36,916 |
|---|----------------------------|--------|

|   |              |
|---|--------------|
| Change in Net Position of Governmental Activities | \$ (644,948) |
|---|--------------|

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

**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, 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 Middle School (“BCPMS”), 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 319 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*.

Allocation of Common Expenses

The School shares the same physical location with 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.

**BEACON COLLEGE PREP ELEMENTARY 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, (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.

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 ELEMENTARY 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 ELEMENTARY 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 ELEMENTARY 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 \$(196,813).

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 had \$13,363 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, 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, 2022, 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 ELEMENTARY 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**

Capital Assets:

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

|                                 | Balance<br><u>6/30/2022</u> | Additions        | Deletions   | Balance<br><u>6/30/2023</u> |
|---------------------------------|-----------------------------|------------------|-------------|-----------------------------|
| Capital assets                  |                             |                  |             |                             |
| Leasehold improvements          | \$ 144,977                  | \$ 18,307        | \$ -        | \$ 163,284                  |
| Furniture, fixtures & equipment | 171,783                     | 17,213           | -           | 188,996                     |
| Computer equipment & software   | 298,878                     | -                | -           | 298,878                     |
| Textbooks                       | 248,786                     | 178,574          | -           | 427,360                     |
| Total capital assets            | <u>864,424</u>              | <u>214,094</u>   | <u>-</u>    | <u>1,078,518</u>            |
| Less: accumulated depreciation  |                             |                  |             |                             |
| Leasehold improvements          | (64,780)                    | (23,835)         | -           | (88,615)                    |
| Furniture, fixtures & equipment | (69,498)                    | (31,422)         | -           | (100,920)                   |
| Computer equipment & software   | (248,768)                   | (37,564)         | -           | (286,332)                   |
| Textbooks                       | (193,871)                   | (82,901)         | -           | (276,772)                   |
| Total accumulated depreciation  | <u>(576,917)</u>            | <u>(175,722)</u> | <u>-</u>    | <u>(752,639)</u>            |
| Capital Assets, net             | <u>\$ 287,507</u>           | <u>\$ 38,372</u> | <u>\$ -</u> | <u>\$ 325,879</u>           |

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

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

Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

|                          |    |         |
|--------------------------|----|---------|
| Governmental activities: |    |         |
| Instruction              | \$ | 82,901  |
| School administration    |    | 92,821  |
| Total depreciation       | \$ | 175,722 |

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 is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made. The Property Under Lease is amortized on a straight-line basis over the shorter of the life of the assets or of the related lease.

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

|                                | Balance<br>6/30/2022 | Additions    | Deletions | Balance<br>6/30/2023 |
|--------------------------------|----------------------|--------------|-----------|----------------------|
| Right-of-use asset             | \$ 7,454,172         | \$ -         | \$ -      | \$ 7,454,172         |
| Less: accumulated amortization | (268,619)            | (256,412)    | -         | (525,031)            |
|                                | \$ 7,185,553         | \$ (256,412) | \$ -      | \$ 6,929,141         |

For the year ended June 30, 2023, amortization expense amount to \$256,412, 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 \$71,343. At June 30, 2023, 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, 2023, the bank balance of the School’s cash deposit accounts totaled \$59,149, and the carrying amount totaled \$58,004.



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

**NOTE 4 – DEPOSITS POLICY AND CREDIT RISK (CONTINUED)**

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, 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 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, 2023:

|   |           |                |
|---|-----------|----------------|
| Capital outlay fund                                   | \$        | 15,921         |
| Tax referendum funding                                |           | 278,280        |
| National School Lunch Program                         |           | 8,260          |
| Elementary and Secondary School Emergency Relief Fund |           | 674,188        |
|   |           | 976,649        |
| Less: allowance                                       |           | (278,280)      |
|   | <b>\$</b> | <b>698,369</b> |

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 \$278,280 as of June 30, 2023.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

Corporate operates another charter school, BCPMS. During 2023, 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. During 2023, the School forgave \$100,000 of BCPMS’s balance due. As of June 30, 2023, the School had a due from of \$579,972 from BCPMS.

As of June 30, 2023, the School had due to Corporate, in the amount of \$503,837. Corporate transferred funds to the School to fund daily operations.

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

**NOTE 7 – RELATED PARTY TRANSACTIONS (CONTINUED)**

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. As of June 30, 2023, interfund balances in governmental funds consist of the following:

|  | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Outlay Fund |
|--|-----------------|----------------------------|------------------------|
| Due to General Fund from Special Revenue Fund for: |                 |                            |                        |
| COVID-19 (ESSER)                                   | \$ 674,188      | \$ (674,188)               | \$ -                   |
| National School Lunch Program                      | 8,260           | (8,260)                    | -                      |
| Capital outlay fund                                | 15,921          | -                          | (15,921)               |
| Total due from/(due to) funds                      | \$ 698,369      | \$ (682,448)               | \$ (15,921)            |

**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, 2023 is \$27,675. The following schedule shows a summary of the changes in this debt for the year ended June 30, 2023:

| Balance<br>6/30/2022 | Advances | Repayments | Balance<br>6/30/2023 |
|----------------------|----------|------------|----------------------|
| \$ 40,747            | \$ -     | \$ 13,072  | \$ 27,675            |

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

|                       |           |
|-----------------------|-----------|
| Total debt            | \$ 27,675 |
| Less: current portion | (14,149)  |
| Total long-term debt  | \$ 13,526 |

As of June 30, 2023, the future principal and interest requirements to maturity under the note are as follows:

|       | Principal | Interest |
|-------|-----------|----------|
| 2024  | \$ 14,149 | \$ 1,292 |
| 2025  | 13,526    | 321      |
| Total | \$ 27,675 | \$ 1,613 |

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

**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 \$1,489,685 of the ESSER III funding has been allocated to the School. As of June 30, 2023, \$602,280 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**

The School has recorded right-to-use liability of \$7,454,172 for the facilities as a result of implementing GASB Statement No. 8. 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. For the year ended June 30, 2023, the interest expense related to the right-of-use liability was \$493,787.

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          | \$ 24,998                 | \$ 520,550               | \$ 545,548           |
| 2024–2025          | 26,403                    | 518,793                  | 545,196              |
| 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            |
| 2032–2037          | 674,556                   | 2,334,273                | 3,008,829            |
| 2037–2042          | 970,498                   | 2,049,677                | 3,020,175            |
| 2042–2047          | 1,365,594                 | 1,646,739                | 3,012,333            |
|                    | <u>3,945,490</u>          | <u>374,248</u>           | <u>14,101,383</u>    |
|                    | <u>\$ 7,424,158</u>       | <u>\$ 10,996,963</u>     | <u>\$ 28,202,766</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<br/>6/30/2022</u> | <u>Additions</u> | <u>Decreases</u>   | <u>Balance<br/>6/30/2023</u> |
|-------------------------------------|------------------------------|------------------|--------------------|------------------------------|
| Right-of-use liability - Facilities | <u>\$ 7,448,002</u>          | <u>\$ -</u>      | <u>\$ (23,844)</u> | <u>\$ 7,424,158</u>          |

**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, 2023**

|   | General Fund      |                     |                     |
|---|-------------------|---------------------|---------------------|
|   | Original Budget   | Final Budget        | Actual              |
| <b>REVENUES</b>                                   |                   |                     |                     |
| State passed through local                        | \$ 2,401,945      | \$ 2,599,396        | \$ 2,599,396        |
| Local sources                                     | 347,954           | 295,701             | 295,701             |
| Fundraising and other revenues                    | 67,602            | 83,671              | 83,671              |
| <b>TOTAL REVENUES</b>                             | <b>2,817,501</b>  | <b>2,978,768</b>    | <b>2,978,768</b>    |
| <b>EXPENDITURES</b>                               |                   |                     |                     |
| <b>Current:</b>                                   |                   |                     |                     |
| Board   | 41,356            | 90,802              | 90,802              |
| Central Services                                  | -                 | 28                  | 28                  |
| Facilities  | 310,067           | 301,942             | -                   |
| Fiscal Services                                   | 138,429           | 71,343              | 71,343              |
| Instruction                                       | 1,557,825         | 1,658,361           | 1,658,361           |
| Instructional and Curriculum Development Services | 1,239             | 107,664             | 107,664             |
| Maintenance of Plant                              | 81,294            | 83,258              | 83,258              |
| Operation of Plant                                | 41,318            | 344,481             | 344,481             |
| Pupil transportation services                     | -                 | 3,654               | 3,654               |
| School administration                             | 481,217           | 496,067             | 496,067             |
| Technology services                               | -                 | 56,278              | 56,278              |
| <b>Capital Outlay:</b>                            |                   |                     |                     |
| Capital outlay                                    | -                 | 214,093             | 214,093             |
| <b>Debt Service</b>                               |                   |                     |                     |
| Interest expense                                  | -                 | 1,548               | 303,490             |
| Redemption of principal                           | -                 | 13,073              | 13,073              |
| <b>TOTAL EXPENDITURES</b>                         | <b>2,652,745</b>  | <b>3,442,592</b>    | <b>3,442,592</b>    |
| <b>NET CHANGE IN FUND BALANCE</b>                 | <b>\$ 164,756</b> | <b>\$ (463,824)</b> | <b>\$ (463,824)</b> |

**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, 2023**

|                            | Special Revenue Fund |              |            |
|----------------------------|----------------------|--------------|------------|
|                            | Original Budget      | Final Budget | Actual     |
| <b>REVENUES</b>            |                      |              |            |
| Federal sources            | \$ 1,559,519         | \$ 798,967   | \$ 798,967 |
| Federal lunch program      | 303,884              | 289,430      | 289,430    |
| TOTAL REVENUES             | 1,863,403            | 1,088,397    | 1,088,397  |
| <b>EXPENDITURES</b>        |                      |              |            |
| <b>Current:</b>            |                      |              |            |
| Instruction                | 221,740              | 762,137      | 762,137    |
| Food Services              | 303,884              | 289,430      | 289,430    |
| Maintenance of Plant       | -                    | 28,089       | 28,089     |
| Operation of Plant         | 1,337,779            | 5,012        | 5,012      |
| School administration      | -                    | 3,729        | 3,729      |
| TOTAL EXPENDITURES         | 1,863,403            | 1,088,397    | 1,088,397  |
| Net change in fund balance | \$ -                 | \$ -         | \$ -       |

**BEACON COLLEGE PREP ELEMENTARY 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 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, 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 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.  
Certified Public Accountants

Coral Gables, Florida  
September 15, 2023



CERTIFIED PUBLIC ACCOUNTANTS



DAVID D. SHARFF, C.P.A. - DECEASED  
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## 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, 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 Elementary School, 134002.

### **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 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.  
Certified Public Accountants

Coral Gables, Florida  
September 15, 2023

