

BELIEVERS ACADEMY, INC.
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS THEREON
JUNE 30, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Believers Academy, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's total net position increased compared to the prior year.
- During 2024, the School's revenues exceeded expenses by \$213,204, which was an increase from the prior year when revenues exceeded expenses by \$72,615.
- Overall, revenues increased by approximately \$194,000, which was a 10% increase from the prior year.
- Overall, expenses increased by approximately \$54,000, which was a 3% increase from the prior year.
- Total assets were \$1,555,468, and total liabilities were \$289,690, resulting in net position of \$1,265,778 as of June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
 - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements Governmental Funds
	Scope	Entire School
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base, the quality of the education and the safety of the School.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has one type of fund:

Governmental Funds – Most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's combined net position as of June 30, 2024 and 2023 is summarized as follows – see table below:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Current and other assets	\$ 1,318,955	\$ 1,093,391	21%
Capital assets, net	236,513	417,473	-43%
Total assets	<u>1,555,468</u>	<u>1,510,864</u>	<u>3%</u>
Current and other liabilities	72,229	57,429	26%
Long-term liabilities	217,461	400,861	-46%
Total liabilities	<u>289,690</u>	<u>458,290</u>	<u>-37%</u>
Net position:			
Net investment in capital assets	28,513	26,073	9%
Restricted	6,902	-	100%
Unrestricted	<u>1,230,363</u>	<u>1,026,501</u>	<u>20%</u>
Total net position	<u>\$ 1,265,778</u>	<u>\$ 1,052,574</u>	<u>20%</u>

Current and other assets and unrestricted net position increased due to the current year operating surplus. Capital assets, net decreased due to current year depreciation expense in excess of capital asset additions. Current and other liabilities changed due to the timing of payments near year-end. Long-term liabilities decreased primarily as a result of payments on the lease liability. Net investment in capital assets changed due to the decrease in capital assets, net and current year payments on the related lease liability. Restricted net position represents the unexpended portion of referendum funds at year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Change in Net Position

The School's total revenues increased by 10% to \$2,107,593, and the total cost of all programs and services increased by 3% to \$1,894,389 – see table below:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Revenues:			
Federal direct	\$ 1,905	\$ 2,974	-36%
Federal sources passed through local school district	230,003	322,359	-29%
State and local sources	1,668,154	1,391,585	20%
Contributions and other revenue	207,531	196,278	6%
Total revenues	<u>2,107,593</u>	<u>1,913,196</u>	<u>10%</u>
Expenses:			
Instruction	1,029,885	723,264	42%
Student support services	74,748	99,309	-25%
Instruction and curriculum development	-	222,128	-100%
Instructional staff training services	1,250	22,716	-94%
Instruction-related technology	14,980	15,663	-4%
Board	20,302	12,454	63%
General administration	36,598	35,814	2%
School administration	495,968	517,435	-4%
Fiscal services	54,037	30,978	74%
Central services	594	1,329	-55%
Student transportation services	20,557	14,890	38%
Operation and maintenance of plant	129,470	119,601	8%
Interest	16,000	25,000	-36%
Total expenses	<u>1,894,389</u>	<u>1,840,581</u>	<u>3%</u>
Change in net position	<u>\$ 213,204</u>	<u>\$ 72,615</u>	<u>194%</u>

Federal sources passed through local school district decreased due to ending of funding from the Elementary and Secondary School Emergency Relief III ("ESSER") Fund. Revenues from state and local sources increased due to the receipt of local capital improvement funds and income from the School's pro-rata share of retroactive tax referendum funds from the District School Board of Palm Beach County, Florida.

Instruction, student support services and instruction and curriculum development changed due to shifting in the usage of resources and funding charged to these areas in the current year and due to the net effect of decreased spending from ESSER III funding and increased spending resulting from the retroactive tax referendum funds. Instructional staff training changed due to decreased grant opportunities available for training and professional development in the current year. Fiscal services are reflective of the revenue fluctuations and the receipt of additional referendum and grant monies in the current year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund balance of \$1,246,726. Both revenues and expenditures changed overall for the same reasons described above.

General Fund Budgetary Highlights

Over the course of the year, the School revised its budgets several times to account for changes in appropriations.

For 2024, actual general fund revenues were approximately \$205,000 above the final budget, which represents a budget variance of 13%. This variance is due to the net effect of retroactive tax referendum funds not being budgeted and received in the current year and fundraising donations being lower than budgeted. Actual general fund expenditures were approximately \$48,000 above the final budget, which represents a 3% budget variance.

Special Revenue Fund Budgetary Highlights

For 2024, actual special revenue fund revenues and expenditures were approximately \$32,000 below the final budget, which represents a 12% budget variance. These variances are primarily due to less federal funding activity occurring than originally budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School's investment in capital assets as of June 30, 2024 amounts to \$236,513 (net of accumulated depreciation). See table below:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Leased building	\$ 730,000	\$ 730,000	0%
Leasehold improvements	37,500	37,500	0%
Computer software	111,785	111,785	0%
Furniture, fixtures and equipment	122,586	124,496	-2%
Motor vehicles	41,588	17,300	140%
Less accumulated depreciation	(806,946)	(603,608)	-34%
Total capital assets, net	<u>\$ 236,513</u>	<u>\$ 417,473</u>	<u>-43%</u>

The School purchased a vehicle in the current year. There were no major disposals during the current year. More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term Debt

As of June 30, 2024, the School had \$217,461 in long-term debt outstanding, consisting of compensated absences and the lease liability. Scheduled payments on the lease liability reduced the amount outstanding in the current year. More detailed information about the School's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2025:

- Projected increase in student population
- Projected salary increases
- Projected increased hiring
- Projected redesigning of the vocational department program

Amounts available for appropriation in the general fund are approximately \$1,546,000, a decrease of 14% from the final 2024 amount of \$1,797,521. Budgeted expenditures are expected to be approximately \$1,767,000, an increase of 11% from the final 2024 amount of \$1,586,757. The School has added no major new programs to the fiscal 2025 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to decrease by the close of fiscal 2025.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 5840 Corporate Way, Suite 100, West Palm Beach, Florida 33407.

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

To the Board of Directors of
Believers Academy, Inc.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Believers Academy, Inc. (the "School") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Believers Academy, Inc. as of June 30, 2024, and the respective changes in financial position thereof 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 on pages 1 – 7 and the budgetary comparison information on pages 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 REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

BKHM, P.A.

Orlando, Florida
September 3, 2024

BELIEVERS ACADEMY, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,242,396
Accounts receivable	38,260
Prepaid expenses	22,793
Deposits	15,506
Capital assets, net	236,513
Total assets	\$ 1,555,468
LIABILITIES	
Accounts payable	\$ 6,353
Accrued expenses	53,353
Unearned revenue	12,523
Long-term liabilities:	
Due within one year	201,461
Due in more than one year	16,000
Total liabilities	289,690
NET POSITION	
Net investment in capital assets	28,513
Restricted for:	
Unexpended referendum funds	6,902
Unrestricted	1,230,363
Total net position	1,265,778
Total liabilities and net position	\$ 1,555,468

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

BELIEVERS ACADEMY, INC.
STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2024

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction	\$ 1,029,885	\$ -	\$ 229,803	\$ -	\$ (800,082)	\$ (800,082)
Student support services	74,748	-	200	-	(74,548)	(74,548)
Instructional staff training services	1,250	-	-	-	(1,250)	(1,250)
Instruction-related technology	14,980	-	-	-	(14,980)	(14,980)
Board	20,302	-	-	-	(20,302)	(20,302)
General administration	36,598	-	-	-	(36,598)	(36,598)
School administration	495,968	-	-	-	(495,968)	(495,968)
Fiscal services	54,037	-	-	-	(54,037)	(54,037)
Central services	594	-	-	-	(594)	(594)
Student transportation services	20,557	-	-	-	(20,557)	(20,557)
Operation and maintenance of plant	129,470	-	1,905	-	(127,565)	(127,565)
Interest	16,000	-	-	-	(16,000)	(16,000)
Total primary government	<u>\$ 1,894,389</u>	<u>\$ -</u>	<u>\$ 231,908</u>	<u>\$ -</u>	<u>\$ (1,662,481)</u>	<u>(1,662,481)</u>
General revenues:						
State and local sources					1,668,154	1,668,154
Contributions and other revenue					207,531	207,531
Total general revenues					<u>1,875,685</u>	<u>1,875,685</u>
Change in net position					213,204	213,204
Net position at beginning of year					<u>1,052,574</u>	<u>1,052,574</u>
Net position at end of year					<u>\$ 1,265,778</u>	<u>\$ 1,265,778</u>

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

BELIEVERS ACADEMY, INC.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,242,396	\$ -	\$ -	\$ 1,242,396
Accounts receivable	-	31,524	6,736	38,260
Prepaid expenditures	22,793	-	-	22,793
Deposits	15,506	-	-	15,506
Due from other funds	38,260	-	-	38,260
Total assets	<u>\$ 1,318,955</u>	<u>\$ 31,524</u>	<u>\$ 6,736</u>	<u>\$ 1,357,215</u>
LIABILITIES				
Accounts payable	\$ 6,353	\$ -	\$ -	\$ 6,353
Accrued expenditures	53,353	-	-	53,353
Due to general fund	-	31,524	6,736	38,260
Unearned revenue	12,523	-	-	12,523
Total liabilities	<u>72,229</u>	<u>31,524</u>	<u>6,736</u>	<u>110,489</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	22,793	-	-	22,793
Deposits	15,506	-	-	15,506
Restricted for:				
Unexpended referendum funds	6,902	-	-	6,902
Unassigned	1,201,525	-	-	1,201,525
Total fund balances	<u>1,246,726</u>	<u>-</u>	<u>-</u>	<u>1,246,726</u>
Total liabilities and fund balances	<u>\$ 1,318,955</u>	<u>\$ 31,524</u>	<u>\$ 6,736</u>	<u>\$ 1,357,215</u>

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

BELIEVERS ACADEMY, INC.

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

JUNE 30, 2024

Total fund balances - total governmental funds \$ 1,246,726

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$1,043,459 and the accumulated depreciation is \$806,946. 236,513

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end include:

Compensated absences	(9,461)
Lease liability	<u>(208,000)</u>

Total net position - governmental activities \$ 1,265,778

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

BELIEVERS ACADEMY, INC.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Other Governmental Fund	Total Governmental Funds
REVENUES				
Federal direct	\$ -	\$ 1,905	\$ -	\$ 1,905
Federal sources passed through local school district	-	230,003	-	230,003
State and local sources	1,589,990	-	78,164	1,668,154
Contributions and other revenue	207,531	-	-	207,531
Total revenues	1,797,521	231,908	78,164	2,107,593
EXPENDITURES				
Current:				
Instruction	648,399	229,803	-	878,202
Student support services	74,548	200	-	74,748
Instructional staff training services	1,250	-	-	1,250
Instruction-related technology	14,980	-	-	14,980
Board	20,302	-	-	20,302
General administration	36,598	-	-	36,598
School administration	442,893	-	-	442,893
Fiscal services	54,037	-	-	54,037
Central services	594	-	-	594
Student transportation services	20,557	-	-	20,557
Operation and maintenance of plant	127,075	1,905	-	128,980
Debt service:				
Principal	105,236	-	78,164	183,400
Interest	16,000	-	-	16,000
Other capital outlay	24,288	-	-	24,288
Total expenditures	1,586,757	231,908	78,164	1,896,829
Net change in fund balances	210,764	-	-	210,764
Fund balances at beginning of year	1,035,962	-	-	1,035,962
Fund balances at end of year	\$ 1,246,726	\$ -	\$ -	\$ 1,246,726

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

BELIEVERS ACADEMY, INC.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2024

Net changes in fund balances - total governmental funds	\$ 210,764
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 costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$204,758) exceeds capital outlays (\$24,288) in the current period.	(180,470)
The loss on the disposal of capital assets is reported in the statement of activities, whereas nothing is reported in the governmental funds as there were no proceeds.	(490)
Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	<u>183,400</u>
Change in net position of governmental activities	<u><u>\$ 213,204</u></u>

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

BELIEVERS ACADEMY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Believers Academy, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of at least five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Palm Beach County, Florida (the "School Board"). The current charter is effective until June 30, 2029 and may be renewed by mutual written agreement between the School and the School Board. 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 this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School meets the definition of a governmental entity under the Governmental Accounting Standards Board's ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

Basis of Presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School’s basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program (“FEFP”) and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School’s most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

General Fund – To account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – To account for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.

Capital Projects Fund – To account for all resources for the acquisition of capital items by the School purchased with capital outlay funds and local capital improvement funds.

For purposes of these statements, the general and special revenue funds are considered major funds. The capital projects fund is considered non-major and is included as the other governmental fund.

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Basis of Accounting

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

The government-wide financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

Cash and Cash Equivalents

Investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. Cash deposits are held by banks qualified as public depositories under Florida law. All deposits held by qualified public depositories are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool under Chapter 280, Florida Statutes.

Receivables

Receivables consist of amounts due from governmental agencies for capital outlay or other programs. Allowances are reported when management estimates that accounts may be uncollectible.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation.

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Leased building	5
Leasehold improvements	5
Computer software	3
Furniture, fixtures and equipment	3 - 10
Motor vehicles	10

Information relative to changes in capital assets is described in Note 4.

Compensated Absences

Compensated absences (i.e. paid absences for employee vacation leave and sick leave) are recorded as expenditures in governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employees. The liability for compensated absences is classified as a long-term liability that is due within one year because the amount of vacation and sick time to be used after the following year cannot be reasonably estimated. Information relative to changes in long-term liabilities is described in Note 6.

Long-term Liabilities

Long-term obligations that will be financed by resources to be received in the future by the governmental funds are reported in the government-wide financial statements, not in the governmental funds. Information relative to changes in long-term liabilities is described in Note 6.

Fund Balance Spending Policy

The School's adopted spending policy is to spend from the restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. No funds may be assigned. There are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the FDOE by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 5% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

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

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, the unexpended portion is reflected as restricted net position and restricted fund balance in the accompanying financial statements.

Income Taxes

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

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and the balance sheet – governmental funds and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Subsequent Events

The School has evaluated subsequent events through September 3, 2024, the date these financial statements were available to be issued.

2 ACCOUNTS RECEIVABLE

Accounts receivable in the accompanying financial statements include \$38,260 in amounts due from governmental agencies. Based on the collectibility of funds from these sources, the School believes that an allowance for doubtful accounts is not considered necessary.

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

3 INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances as of June 30, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 38,260	\$ -
Special revenue fund	-	31,524
Other non-major governmental fund	-	6,736
Total interfund	<u>\$ 38,260</u>	<u>\$ 38,260</u>

The amounts payable by the special revenue fund and the other non-major governmental fund to the general fund is to cover temporary cash shortages related to the timing of receipts.

4 CHANGES IN CAPITAL ASSETS

Capital asset activity during 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Leased building	\$ 730,000	\$ -	\$ -	\$ 730,000
Leasehold improvements	37,500	-	-	37,500
Computer software	111,785	-	-	111,785
Furniture, fixtures and equipment	124,496	-	(1,910)	122,586
Motor vehicles	17,300	24,288	-	41,588
Total capital assets being depreciated	<u>1,021,081</u>	<u>24,288</u>	<u>(1,910)</u>	<u>1,043,459</u>
Less accumulated depreciation for:				
Leased building	(357,600)	(178,800)	-	(536,400)
Leasehold improvements	(37,500)	-	-	(37,500)
Computer software	(111,785)	-	-	(111,785)
Furniture, fixtures and equipment	(81,008)	(25,958)	1,420	(105,546)
Motor vehicles	(15,715)	-	-	(15,715)
Total accumulated depreciation	<u>(603,608)</u>	<u>(204,758)</u>	<u>1,420</u>	<u>(806,946)</u>
Capital assets being depreciated, net	<u>417,473</u>	<u>(180,470)</u>	<u>(490)</u>	<u>236,513</u>
Governmental activities capital assets, net	<u>\$ 417,473</u>	<u>\$ (180,470)</u>	<u>\$ (490)</u>	<u>\$ 236,513</u>

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 151,683
School administration	<u>53,075</u>
Total governmental activities depreciation expense	<u>\$ 204,758</u>

5 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable as of June 30, 2024 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Risk Management Program

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

Employee Benefit Plan

The School sponsors the Believers Academy 403(b) Plan (the "Plan"), which is a defined contribution plan. The Plan operates under Section 403(b) of the Internal Revenue Code. All employees may contribute up to an annual maximum of pretax annual compensation, as defined in the Plan. Under the terms of the Plan, the School contributes amounts to the Plan at the discretion of the Board of Directors. The School's contributions during 2024 totaled approximately \$31,400, of which approximately \$21,800 and \$9,600 are included in instruction and school administration, respectively, in the accompanying financial statements.

BELIEVERS ACADEMY, INC.

NOTES TO FINANCIAL STATEMENTS
(continued)

6 LONG-TERM LIABILITIES

Long-term liabilities activity during 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 9,461	\$ -	\$ -	\$ 9,461	\$ 9,461
Lease liability	<u>391,400</u>	<u>-</u>	<u>(183,400)</u>	<u>208,000</u>	<u>192,000</u>
Governmental activities, long-term liabilities	<u>\$ 400,861</u>	<u>\$ -</u>	<u>\$(183,400)</u>	<u>\$ 217,461</u>	<u>\$ 201,461</u>

Compensated absences are presented net. Lease liabilities are typically liquidated first with capital projects fund resources, when available, and then with general fund resources.

Lease Liability

The School leases its facility in an agreement that ends in July 2025. The lease requires monthly rent of \$16,500. The School also leases copiers under lease agreements that require monthly principal and interest payments of approximately \$250 through June 2024. The discount rate used for these leases ranges from 5.25% to 7.00%.

Leased assets as of June 30, 2024 consist of the following:

	<u>Governmental Activities</u>
Leased building	\$ 730,000
Furniture, fixtures and equipment	7,000
Less accumulated depreciation	<u>(543,400)</u>
	<u>\$ 193,600</u>

Future debt service requirements related to the leases are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 192,000	\$ 6,000	\$ 198,000
2026	<u>16,000</u>	<u>500</u>	<u>16,500</u>
	<u>\$ 208,000</u>	<u>\$ 6,500</u>	<u>\$ 214,500</u>

BELIEVERS ACADEMY, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

7 RESTRICTED NET POSITION AND FUND BALANCE

Restricted net position and fund balance represents amounts that have been received by the School for specific purposes, which are restricted as to the use of such funds. Included in the restricted fund balance is \$6,902 in the general fund as of June 30, 2024. This balance represents unexpended referendum funds.

8 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources and amounts:

District School Board of Palm Beach County, Florida:	
Florida Education Finance Program	\$ 496,933
ESE guaranteed allocation	392,162
Retroactive referendum revenue	254,023
Referendum revenue	141,806
Discretionary local effort	97,511
Class size reduction	87,717
Capital outlay	55,904
Interest income on retroactive referendum revenue	45,233
Student transportation	37,264
Local capital improvement revenue	22,260
Educational enrichment	20,604
Safe schools	8,203
Mental health allocation	5,094
Teacher lead	1,800
Facility grant	1,640
Total	<u><u>\$ 1,668,154</u></u>

The administration fee paid to the School Board during 2024 totaled approximately \$37,000, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

BELIEVERS ACADEMY, INC.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
State and local sources	\$ 1,409,150	\$ 1,147,288	\$ 1,589,990	\$ 442,702
Contributions and other revenue	158,634	445,251	207,531	(237,720)
Total revenues	<u>1,567,784</u>	<u>1,592,539</u>	<u>1,797,521</u>	<u>204,982</u>
EXPENDITURES				
Current:				
Instruction	651,891	665,039	648,399	16,640
Student support services	-	79,000	74,548	4,452
Instruction and curriculum development	265,000	-	-	-
Instructional staff training services	-	-	1,250	(1,250)
Instruction-related technology	-	-	14,980	(14,980)
Board	13,000	20,500	20,302	198
General administration	-	-	36,598	(36,598)
School administration	365,000	343,000	442,893	(99,893)
Fiscal services	29,000	54,100	54,037	63
Central services	12,000	16,000	594	15,406
Student transportation services	15,000	50,000	20,557	29,443
Operation and maintenance of plant	216,828	305,995	127,075	178,920
Administrative technology services	5,000	4,800	-	4,800
Debt service:				
Principal	-	-	105,236	(105,236)
Interest	-	-	16,000	(16,000)
Other capital outlay	-	-	24,288	(24,288)
Total expenditures	<u>1,572,719</u>	<u>1,538,434</u>	<u>1,586,757</u>	<u>(48,323)</u>
Net change in fund balance	(4,935)	54,105	210,764	156,659
Fund balance at beginning of year	<u>1,035,962</u>	<u>1,035,962</u>	<u>1,035,962</u>	-
Fund balance at end of year	<u><u>\$ 1,031,027</u></u>	<u><u>\$ 1,090,067</u></u>	<u><u>\$ 1,246,726</u></u>	<u><u>\$ 156,659</u></u>

See independent auditor's report.

BELIEVERS ACADEMY, INC.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Federal direct	\$ 4,772	\$ 1,905	\$ 1,905	\$ -
Federal sources passed through local school district	165,920	261,576	230,003	(31,573)
Total revenues	170,692	263,481	231,908	(31,573)
EXPENDITURES				
Current:				
Instruction	165,920	261,376	229,803	31,573
Student support services	-	200	200	-
Operation and maintenance of plant	4,772	1,905	1,905	-
Total expenditures	170,692	263,481	231,908	31,573
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

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 of
Believers Academy, Inc.

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, each major fund and the aggregate remaining fund information of Believers Academy, Inc. (the "School"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 3, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKHM, P.A.

Orlando, Florida
September 3, 2024

**ADDITIONAL INFORMATION REQUIRED BY
RULES OF THE AUDITOR GENERAL,
CHAPTER 10.850**

To the Board of Directors of
Believers Academy, Inc.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Believers Academy, Inc. (the "School"), as of and for the year ended June 30, 2024, and have issued our report thereon dated September 3, 2024.

AUDITOR'S RESPONSIBILITY

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

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 3, 2024, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations 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 of the entity is Believers Academy, Inc., and the school code assigned by the Florida Department of Education is 3400.

FINANCIAL CONDITION AND MANAGEMENT

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the condition(s) described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

TRANSPARENCY

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

ADDITIONAL MATTERS

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

PURPOSE OF THIS LETTER

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

BKHM, P.A.

Orlando, Florida
September 3, 2024