

C.G. Bethel High School
A division of NorthStar Academies, Inc.

Basic Financial Statements
and Additional Information
For the Year Ended June 30, 2024

C.G. Bethel High School

Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis	
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	4-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet of Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to Basic Financial Statements	15-23
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	24
Budgetary Comparison Schedule – Special Revenue Fund	25
Other Auditor's Reports	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Management Letter Required by Chapter 10.850 of the Rules of the Auditor General of the State of Florida	28-29
Schedule of Findings and Responses	30

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
C.G. Bethel High School
Miami, 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 C.G. Bethel High School (the "School"), a division of NorthStar Academies, Inc., 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 and each major fund of the School, as of June 30, 2024, 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.

Emphasis of Matters

Division Financials

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of NorthStar Academies, Inc. that are attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of NorthStar Academies, Inc. as of June 30, 2024 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Correction of an Error

As discussed in Note 13 to the financial statements, the School corrected an error in previously issued financial statements related to the recording of a note payable. Our opinion is not modified with respect to that matter.

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.

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.

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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and budgetary comparison schedules for the General Fund and Special Revenue Fund on pages 24 and 25 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 16, 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.

Fort Lauderdale, Florida
September 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of C.G. Bethel High School's (the "School"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2024 with certain comparative information for 2023.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements.

Financial Highlights

Our basic financial statements provide these insights into the results of the year's operation:

- At June 30, 2024, the School's total liabilities exceeded its total assets resulting in a deficit of \$ 23,184 (net position).
- At June 30, 2024, the School's total revenues were \$ 3,973,197, \$ 3,408,837 from FTE revenues and other nonspecific revenues and \$ 564,360 from operating and capital grants. The School's expenses for the year were \$ 3,835,611. Net position for the year increased by \$ 137,586.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

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 the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the basic government-wide financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. The General Fund, Special Revenue Fund, and Capital Projects Fund are considered to be the School's major funds.

A budgetary comparison statement has been provided for the General and Special Revenue Funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 11 through 14 of this report.

Notes to basic financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 23 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's General and Special Revenue Funds adopted budget to actual results. Required supplementary information can be found on pages 24 and 25 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 23,184 at the close of the most recent fiscal year.

**C.G. Bethel High School
Management's Discussion and Analysis
June 30, 2024**

Government-Wide Financial Analysis (continued)

	C.G. Bethel High School Net Position		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Current and Other Assets	\$ 1,334,128	\$ 855,571	478,557
Capital Assets, net	<u>2,623,688</u>	<u>2,900,627</u>	<u>(276,939)</u>
Total assets	<u>3,957,816</u>	<u>3,756,198</u>	<u>201,618</u>
Current Liabilities	1,359,117	1,075,874	283,243
Noncurrent Liabilities	<u>2,621,883</u>	<u>2,841,094</u>	<u>(219,211)</u>
Total liabilities	<u>3,981,000</u>	<u>3,916,968</u>	<u>64,032</u>
Net Position (Deficit):			
Net investment in capital assets	(217,406)	(147,973)	(69,433)
Unrestricted (deficit)	<u>194,222</u>	<u>(12,797)</u>	<u>207,019</u>
Total net position (deficit)	\$ <u><u>(23,184)</u></u>	\$ <u><u>(160,770)</u></u>	<u><u>137,586</u></u>

Current and other assets rose due to an increase in the School's cash position. Capital assets, net of depreciation decreased due to current depreciation and amortization of \$ 278,971, offset by the addition of \$ 2,032 of computer equipment. Current liabilities increased mainly due to a rise in monies owed to the management company. Noncurrent liabilities decreased due to payments made on the lease payable.

Governmental activities: The School's overall net position increased by \$ 137,586 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

	C.G. Bethel High School Changes in Net Position		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Revenues:			
General revenues:			
FTE nonspecific revenues	\$ 3,408,837	\$ 2,984,171	424,666
Program revenues:			
Operating grants and contributions	283,356	481,654	(198,298)
Capital grants and contributions	<u>281,004</u>	<u>187,252</u>	<u>93,752</u>
Total revenues	<u>3,973,197</u>	<u>3,653,077</u>	<u>320,120</u>

Governmental activities (continued)

C.G. Bethel High School
Changes in Net Position (continued)

Functions/Program	2024	2023	Variance
Expenses:			
Instruction	\$ 1,180,851	\$ 1,008,200	172,651
Administrative services	231,908	283,628	(51,720)
Instructional support services	500,858	428,336	72,522
Board	38,899	24,692	14,207
Plant operations and maintenance	904,554	818,476	86,078
Student transportation	33,872	40,734	(6,862)
Fiscal services	745,460	732,050	13,410
Food services	46,695	60,360	(13,665)
Interest expense	152,514	173,573	(21,059)
Total expenses	3,835,611	3,570,049	265,562
Change in net position	137,586	83,028	54,558
Net position (deficit) - beginning	(160,770)	(243,798)	83,028
Net position (deficit) - ending	\$ (23,184)	\$ (160,770)	137,586

General revenues, compared to the previous year, increased primarily due to the addition of 10 students; additionally, program revenues decreased due to a reduction in grant funding. Total expenses increased due to the added costs of additional instructional and administrative staff.

Financial Analysis of Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 84,976, while total fund balance increased to \$ 194,222. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 2.7% of total General Fund expenditures, while total fund balance represents 6.0% of that same amount.

The fund balance of the School's General Fund increased by \$ 207,019 during the current fiscal year due to revenues related to referendum funding.

The Special Revenue fund had a decrease in fund balance during the current fiscal year of \$ 235,935 due to the timing of certain grant funds not being received shortly after year end and therefore being unavailable.

The Capital Projects Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports state expense reimbursement grants that are fully utilized.

Capital Asset and Debt Administration

Capital assets: At June 30, 2024, the School had capital assets of \$ 2,623,688 net of accumulated depreciation and amortization, invested in lease assets, furniture and computer equipment, and leasehold improvements. Capital assets additions for the year included \$ 2,032 for computer equipment. Additional information on the School's capital assets can be found in Note 5 of this report.

Debt: At June 30, 2024, the School had outstanding debt of \$ 2,841,094 as compared to \$ 3,048,600 at June 30, 2023. The decrease is a result of scheduled debt payments in accordance with the lease agreement. Additional information on the School's debt can be found in 6 of this report.

General Fund Budgetary Highlights

Total revenues were more than budgeted by approximately \$ 688,000 due to higher enrollment and referendum monies not originally budgeted while total expenditures were more than budgeted by approximately \$ 487,000 due to expenditures associated with the unbudgeted revenues and used for staffing costs primarily. See page 24 for budget to actual comparisons detail.

Economic Factors and Next Year's Budget

In fiscal year 2024, the State of Florida continued to include a teacher salary increase allocation of \$ 1.1 billion. The capital outlay funding pool ended up at \$ 213 million. The School's FY23-24 allocations of these funds were \$ 106,675 and \$ 211,147, respectively.

For fiscal year 2025, the funding for teacher salaries and other instructional personnel will be \$ 1.25 billion. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay by approximately 12%. The School expects the student count to remain consistent, therefore the overall effect will be a moderate increase in these revenues categories. Conversely, we also expect a decrease in ESSER related grant funding as these COVID era programs are scheduled to expire. Overall, we expect the revenues available to the School for operations to be consistent with fiscal year 2023- 2024.

Requests for Information

This financial report is designed to provide a general overview of C.G. Bethel High School's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to EdisonLearning, Inc.; One Broward Boulevard, Suite 1599, Fort Lauderdale, FL 33301.

BASIC FINANCIAL STATEMENTS

C.G. Bethel High School
Statement of Net Position
June 30, 2024

Current Assets:

Cash	\$ 298,242
Due from government agencies	926,640
Prepays	<u>5,393</u>
Total current assets	<u>1,230,275</u>

Noncurrent Assets:

Deposits and other assets	103,853
Capital assets, net of accumulated depreciation and amortization	<u>2,623,688</u>
Total noncurrent assets	<u>2,727,541</u>
Total assets	<u>3,957,816</u>

Current Liabilities:

Accounts payable	20,637
Accrued liabilities	40,327
Due to management company	156,386
Due to related party	922,556
Lease payable	<u>219,211</u>
Total current liabilities	<u>1,359,117</u>

Noncurrent Liabilities:

Lease payable	<u>2,621,883</u>
Total liabilities	<u>3,981,000</u>

Net Position (Deficit):

Net investment in capital assets	(217,406)
Unrestricted	<u>194,222</u>
Total net position	<u>\$ (23,184)</u>

See accompanying notes to financial statements.

**C.G. Bethel High School
Statement of Activities
For the Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net Revenues (Expenses) and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Functions/Programs:					
Governmental activities:					
Regular instruction	\$ 1,180,851	\$ -	\$ 128,470	\$ -	\$ (1,052,381)
Administrative services	231,908	-	63,840	-	(168,068)
Instructional support services	500,858	-	77,055	-	(423,803)
Board	38,899	-	-	-	(38,899)
Plant operations and maintenance	904,554	-	-	281,004	(623,550)
Student transportation	33,872	-	-	-	(33,872)
Operation of non- instructional services:					
Fiscal services	745,460	-	-	-	(745,460)
Food services	46,695	-	13,991	-	(32,704)
Interest expense	152,514	-	-	-	(152,514)
Total governmental activities	<u>\$ 3,835,611</u>	<u>\$ -</u>	<u>\$ 283,356</u>	<u>\$ 281,004</u>	<u>(3,271,251)</u>
General revenues:					
FTE nonspecific revenues and other nonspecific revenues					<u>3,408,837</u>
Total general revenues					<u>3,408,837</u>
Change in net position					137,586
Net position (deficit), July 1, 2023					<u>(160,770)</u>
Net position (deficit), June 30, 2024					<u>\$ (23,184)</u>

See accompanying notes to financial statements.

C.G. Bethel High School
Balance Sheet of Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assets:				
Cash	\$ 298,242	\$ -	\$ -	\$ 298,242
Due from government agencies	94,845	831,795	-	926,640
Prepays	5,393	-	-	5,393
Deposits and other assets	103,853	-	-	103,853
Due from other funds	<u>831,795</u>	<u>-</u>	<u>-</u>	<u>831,795</u>
Total assets	<u>\$ 1,334,128</u>	<u>\$ 831,795</u>	<u>\$ -</u>	<u>\$ 2,165,923</u>
Liabilities:				
Accounts payable	\$ 20,637	\$ -	\$ -	\$ 20,637
Accrued liabilities	40,327	-	-	40,327
Due to management company	156,386	-	-	156,386
Due to related party	922,556	-	-	922,556
Due to other funds	<u>-</u>	<u>831,795</u>	<u>-</u>	<u>831,795</u>
Total liabilities	<u>1,139,906</u>	<u>831,795</u>	<u>-</u>	<u>1,971,701</u>
Deferred inflows:				
Unavailable revenues	<u>-</u>	<u>831,795</u>	<u>-</u>	<u>831,795</u>
Fund Balances:				
Nonspendable for prepaids and deposits and other assets	109,246	-	-	109,246
Unassigned	<u>84,976</u>	<u>(831,795)</u>	<u>-</u>	<u>(746,819)</u>
Total fund balances (deficit)	<u>194,222</u>	<u>(831,795)</u>	<u>-</u>	<u>(637,573)</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 1,334,128</u>	<u>\$ 831,795</u>	<u>\$ -</u>	<u>\$ 2,165,923</u>

See accompanying notes to financial statements.

C.G. Bethel High School
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position (Deficit)

Governmental fund balances \$ (637,573)

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

Capital assets used in governmental activities are non financial resources and therefore are not reported in the governmental funds.

Cost of capital assets	\$ 4,399,100	
Accumulated depreciation and amortization	<u>(1,775,412)</u>	2,623,688

Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements.		831,795
--	--	---------

Liabilities not payable with current available resources are not reported as fund balances in the governmental fund statements. All liabilities, both current and long-term, are reported in the governmental-wide statements.

Lease payable	<u>(2,841,094)</u>	<u>(2,841,094)</u>
---------------	--------------------	--------------------

Net Position of Governmental Activities		\$ <u>(23,184)</u>
--	--	---------------------------

See accompanying notes to financial statements.

**C.G. Bethel High School
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues:				
State sources	\$ 2,833,200	\$ -	\$ 281,004	\$ 3,114,204
Federal sources	-	47,421	-	47,421
Local sources	575,637	-	-	575,637
	<u>3,408,837</u>	<u>47,421</u>	<u>281,004</u>	<u>3,737,262</u>
Expenditures:				
Current:				
Instruction	1,052,381	128,470	-	1,180,851
Instructional support services	409,817	77,055	-	486,872
Student transportation services	33,872	-	-	33,872
Fiscal services	745,460	-	-	745,460
Food services	32,704	13,991	-	46,695
Board	38,899	-	-	38,899
Plant operations and maintenance	358,565	-	281,004	639,569
Administrative services	168,068	63,840	-	231,908
Capital outlay:				
Equipment and improvements	2,032	-	-	2,032
Debt service:				
Principal payments	207,506	-	-	207,506
Interest expense	152,514	-	-	152,514
	<u>3,201,818</u>	<u>283,356</u>	<u>281,004</u>	<u>3,766,178</u>
Net change in fund balances	207,019	(235,935)	-	(28,916)
Fund Balances (Deficit), July 1, 2023 as restated, Note 13				
	<u>(12,797)</u>	<u>(595,860)</u>	<u>-</u>	<u>(608,657)</u>
Fund Balances (Deficit), June 30, 2024	<u>\$ 194,222</u>	<u>\$ (831,795)</u>	<u>\$ -</u>	<u>\$ (637,573)</u>

See accompanying notes to financial statements.

**C.G. Bethel High School
 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 Change in Fund Balances of Governmental Funds \$ (28,916)

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

Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as a provision for depreciation and amortization.

Expenditures for capital assets	\$ 2,032	
Provision for depreciation and amortization	<u>(278,971)</u>	(276,939)

Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available.		235,935
---	--	---------

Repayment of debt and other long-term liabilities are expenditures in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.		<u>207,506</u>
---	--	----------------

Change in Net Position on the Statement of Activities \$ 137,586

See accompanying notes to financial statements.

Note 1 - Organization and Operations

C.G. Bethel High School (the "School") is a division of NorthStar Academies, Inc. (the "Organization"). The School commenced operations in July 2009 and offers classes for high school students predominantly in the City of North Miami Beach, Florida. Approximately 356 students were enrolled in classes when the school year ended in June 2024.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of NorthStar Academies, Inc. as of June 30, 2024, and the changes in its 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.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring school district, the School Board of Miami-Dade County, Florida (the "School Board"). The current charter 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 charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

Basis of presentation: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide financial statements: Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Note 2 - Summary of Significant Accounting Policies (continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund financial statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School reports the following major governmental funds:

- **General Fund** – This fund 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 other revenues that are legally restricted to expenditures for particular purposes.
- **Capital Projects Fund** – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets (if any).
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that will need to be funded by future operations.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then, unrestricted resources as they are needed.

Note 2 - Summary of Significant Accounting Policies (continued)

Fund balance: The governmental fund financial statements present fund balances based on the provisions of GAAP which provide clearly defined fund balance classifications to report on the nature and extent to which the school is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – consists of amounts that are not in spendable form and of net position that are legally or contractually required to be maintained intact.
- Restricted fund balance – consists of amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Committed fund balance – consists of amount that can be used for specific purposes voted on through formal action of the Governing Board (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board removes or changes the commitment through formal action.
- Assigned fund balance – consists of amounts that are constrained by the Governing Board to use for a specific purpose but they are neither restricted nor committed.
- Unassigned – represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School's governing body or its delegated official or body has provided otherwise in its commitment or assignment actions. The details of the fund balances are included in the Balance Sheet of Governmental Funds on page 11.

Measurement focus and basis of accounting: The basis of accounting refers to the point at which revenues or expenditures/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 applied. Governmental funds use the current financial resources measurement focus and the government-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Note 2 - Summary of Significant Accounting Policies (continued)

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the current period is defined as 60 days.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due.

Cash and cash equivalents: The School maintains its cash accounts with two financial institutions. The School's accounts at these institutions, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk (Note 3).

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

Due to and due from other funds: Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Capital assets: Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 1,000 and a useful life of over one year. Donated capital assets are valued at their acquisition value as of the date received. Additions, improvements, and other expenditures that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs for repairs and maintenance are expensed as incurred.

Depreciation and amortization on all assets is provided on the straight-line basis over the capital assets' estimated useful lives or lease term, whichever is shorter, as follows:

Furniture and computer equipment	3-5 years
Leasehold improvements	5 years

Right-of-use asset: The School has recorded a right-of-use lease asset as a result of implementing GASB 87. The right-of-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use asset is amortized on a straight-line basis over the shorter of the useful life or the lease term.

Compensated absences: The School's policy allows certain employees to carry over unused vacation time during the year. Unused sick leave benefits are not paid upon separation from service. No liability for compensated absences was recorded for the year ending June 30, 2024 because management of the School considered the amount to be immaterial.

Note 2 - Summary of Significant Accounting Policies (continued)

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has recorded deferred inflows representing unavailable revenues in the amount of \$ 831,795.

Revenue recognition: Student funding is provided by the State of Florida through the District. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements and is net of a 5% administration fee, for the first 250 students, retained by the District. This funding is received on a pro rata basis over a twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

Grant and contract revenue: Grant and contract revenue is recognized when the allowable costs, as defined by the individual grant or contract, are incurred.

Budget: An operating budget is adopted and maintained by the governing board for all the governmental funds, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements. General fund expenditures exceeded the adopted budget by \$ 486,901 and was covered by available fund balance.

Use of estimates: The preparation of financial statements in conformity with 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.

Subsequent events: In accordance with GASB No. 56, the School has evaluated subsequent events through September 16, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Cash and Cash Equivalents

At June 30, 2024, the carrying amount of the deposits and cash on hand totaled \$ 298,242, with a bank balance of \$ 321,704.

Note 3 - Cash and Cash Equivalents (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 for pledge, and the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits of \$ 71,704 are in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

Note 4 - Due from Government Agencies

Due from government agencies at June 30, 2024 mostly consists of amounts due from the District for capital outlay funds and the Department of Education for Elementary and Secondary Emergency Assistance Grants (ESSER) and the National School Lunch Program.

Note 5 - Capital Assets

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024
Capital assets being depreciated/ amortized				
Furniture and computer equipment	\$ 582,278	\$ 2,032	\$ -	\$ 584,310
Leasehold improvements	191,285	-	-	191,285
Lease assets:				
Building	<u>3,623,505</u>	<u>-</u>	<u>-</u>	<u>3,623,505</u>
Total capital assets being depreciated/amortized	<u>4,397,068</u>	<u>2,032</u>	<u>-</u>	<u>4,399,100</u>
Accumulated depreciation/ amortization:				
Furniture and computer equipment	529,431	13,986	-	543,417
Leasehold improvements	190,544	6,163	-	196,707
Lease assets:				
Building	<u>776,466</u>	<u>258,822</u>	<u>-</u>	<u>1,035,288</u>
Total accumulated depreciation/amortization	<u>1,496,441</u>	<u>278,971</u>	<u>-</u>	<u>1,775,412</u>
Net capital assets	<u>\$ 2,900,627</u>	<u>\$ (276,939)</u>	<u>\$ -</u>	<u>\$ 2,623,688</u>

The provision for depreciation and amortization for the year ended June 30, 2024 amounted to \$ 278,971. The School allocated \$ 20,149, 7%, of the depreciation and amortization to instructional support services and \$ 258,822, 93%, to the operation of the facility.

As part of the School’s charter contract, all capital assets purchased with public funds will automatically revert to the District upon the non-renewal or termination of this contract.

C.G. Bethel High School
Notes to Basic Financial Statements
June 30, 2024

Note 6 - Lease

The School entered into a facility lease effective July 1, 2019 through June 30, 2024, with two additional five-year renewals that the School expects to exercise. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2020. The discount rate used to recognize the intangible right of use asset and the lease liability was 5.50%.

The following is a schedule of the School’s future base rent payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 219,211	\$ 150,789	\$ 370,000
2026	231,576	138,424	370,000
2027	244,639	125,361	370,000
2028	258,439	111,561	370,000
2029	273,017	96,983	370,000
Thereafter	<u>1,614,212</u>	<u>235,788</u>	<u>1,850,000</u>
	<u>\$ 2,841,094</u>	<u>\$ 858,906</u>	<u>\$ 3,700,000</u>

The lease activity of the year ended June 30, 2024 are as follows:

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024	Amount Due Within One Year
Lease - building	\$ <u>3,048,600</u>	\$ <u>-</u>	\$ <u>207,506</u>	\$ <u>2,841,094</u>	\$ <u>219,211</u>

Note 7 - Contingencies and Commitments

Grant agreements: The School, as a department of the Organization, received financial assistance from Federal and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Organization is required to conduct “single audits” when either the threshold for federal awards or state financial assistance exceeds \$ 750,000. The federal threshold is exceeded for the Organization, and as a result, the Organization is in the process of completing this requirement.

Note 7 - Contingencies and Commitments (continued)

Management Agreement: The School operates under a management agreement with EdisonLearning, Inc. (“Edison”), which is a third-party education service provider. The contract provided for assisting the School in the performance of most administrative, operating, financial duties and providing operating equipment. The management agreement’s term is for ten academic school years ending with the 2028-2029 school year to be concurrent with the renewal of the charter. The agreement provided for an additional five-year term or such periods that are consistent with the charter contract term. In exchange for the aforementioned services, the School’s Board agreed on a fee annually contained in their budget. For the year ended June 30, 2024, the total amount of compensation paid to Edison amounted to approximately \$ 745,000. At June 30, 2024, the School had an amount due to Edison amounting to \$ 829,358, which represents reimbursement for School expenses.

Post-retirement benefits: The School offers the opportunity to participate in its defined contribution 403(b) plan to eligible employees. The School did not make a contribution to the plan for the year ended June 30, 2024.

Note 8 - Related Party Transactions

The School is related to Chambers, as they are governed under the same Board of Directors and are both divisions of the Organization. At June 30, 2024, the School had an amount due to Chambers amounting to \$ 912,556, which represents expenses paid on behalf of the School due to the enrollment shortfall. The School also has an amount due of \$ 10,000 due to the Organization that the School is a division of.

Note 9 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring board. The School’s CSCO Award totaled \$ 211,147 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the interest expense on the lease.

Local Capital Improvement Revenue (LCIR) funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School’s LCIR Award totaled \$ 69,857 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

Note 10 - Income Taxes

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

Note 11 - Risk Financing

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the current year.

Note 12 - Deficits

The deficit in the special revenue fund is primarily the result of revenues not being received and recorded as revenues due to their receipt after 60 days of the School’s year end. Therefore, the money is not recorded as revenues. The amounts are expected to be earned in the following year thereby curing the deficit fund balance.

Note 13 - Prior Period Adjustment

During the year ended June 30, 2024, the School's management found that a note payable to a related party was mistakenly recorded as an other financing source in the June 30, 2023 financial statements. Consequently, the beginning General Fund fund balance was restated, decreasing it by \$70,000. The change in fund balance for the year ended June 30, 2023 of the General Fund had the error not occurred would have been (\$ 12,797).

This adjustment did not affect the previously reported net position because the note payable was correctly reflected in the government-wide financial statements. Below is a summary of the correction as of July 1, 2023:

	Fund balances		
	Unassigned	Nonspendable	Total
Fund Balance (deficit) - Unassigned as previously reported	\$ (55,877)	\$ 113,080	\$ 57,203
Adjustment as noted above	<u>(70,000)</u>	<u>-</u>	<u>(70,000)</u>
Fund balance (deficit) - Unassigned as restated	<u>\$ (125,877)</u>	<u>\$ 113,080</u>	<u>\$ (12,797)</u>

REQUIRED SUPPLEMENTARY
INFORMATION

**C.G. Bethel High School
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
State sources	\$ 2,651,785	\$ 2,651,785	\$ 2,833,200	\$ 181,415
Local sources	69,090	69,090	575,637	506,547
	<u>2,720,875</u>	<u>2,720,875</u>	<u>3,408,837</u>	<u>687,962</u>
Total revenues				
Expenditures:				
Current:				
Instruction	699,725	699,725	1,052,381	(352,656)
Instructional support services	374,327	374,327	409,817	(35,490)
Student transportation services	43,691	43,691	33,872	9,819
Fiscal services	685,415	685,415	745,460	(60,045)
Food services	-	-	32,704	(32,704)
Board	23,668	23,668	38,899	(15,231)
Plant operations and maintenance	692,744	692,744	358,565	334,179
Administrative services	180,780	180,780	168,068	12,712
Capital outlay:				
Equipment and improvements	14,567	14,567	2,032	12,535
Debt service:				
Principal payments	-	-	207,506	(207,506)
Interest expense	-	-	152,514	(152,514)
	<u>2,714,917</u>	<u>2,714,917</u>	<u>3,201,818</u>	<u>(486,901)</u>
Total expenditures				
Net change in fund balance	\$ <u>5,958</u>	\$ <u>5,958</u>	\$ <u>207,019</u>	\$ <u>201,061</u>

**C.G. Bethel High School
 Budgetary Comparison Schedule - Special Revenue Fund
 For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Federal sources:				
Elementary and Secondary Emergency Assistance Grants (ESSER)				
\$	335,260	\$ 335,260	\$ 33,430	\$ (301,830)
National School Lunch Program				
	<u>58,062</u>	<u>58,062</u>	<u>13,991</u>	<u>(44,071)</u>
Total revenues	<u>393,322</u>	<u>393,322</u>	<u>47,421</u>	<u>(345,901)</u>
Expenditures:				
Regular instruction	254,075	254,075	128,470	125,605
Instructional support services	42,000	42,000	77,055	(35,055)
Food services	58,062	58,062	13,991	44,071
Administrative services	<u>39,185</u>	<u>39,185</u>	<u>63,840</u>	<u>(24,655)</u>
Total expenditures	<u>393,322</u>	<u>393,322</u>	<u>283,356</u>	<u>109,966</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (235,935)</u>	<u>\$ (235,935)</u>

OTHER AUDITOR'S REPORTS

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
C.G. Bethel High School
Miami, 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 C.G. Bethel High School (the "School"), a division of NorthStar Academies, Inc., 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 16, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

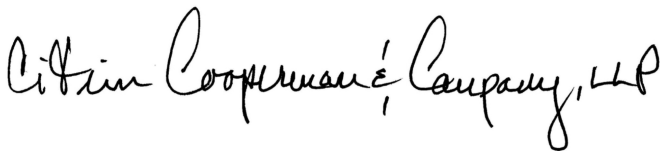
Report on Compliance and Other Matters

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*.

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The School's response was not subjected to the other auditing procedures applied in the auditor of the financial statements and, accordingly, we express no opinion on the response.

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.



Fort Lauderdale, Florida
September 16, 2024

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors
C.G. Bethel High School
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of C.G. Bethel High School (the "School"), Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 16, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 16, 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 financial audit report. There were no findings or recommendations made in the preceding 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 C.G. Bethel High School and 137062.

Financial Condition and Management

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

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

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

Transparency

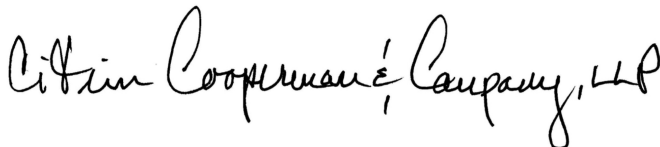
Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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 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 and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Fort Lauderdale, Florida
September 16, 2024

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

**C. G. BETHEL HIGH SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Finding 2024-001: Material Weakness – Error Correction

Criteria: The financial statements of the School should properly report all liabilities in accordance with U.S. GAAP.

Condition: During the year ended June 30, 2024, management of the School determined that the fund balance of the general fund was overstated by \$ 70,000 because of an error reporting a related party loan. The loan was originally recorded as an other financing source instead of a liability in the governmental fund financial statements.

Cause: Internal controls related to identifying the balance were not properly designed, and therefore the error was not found upon review of the financial statements.

Effect: Fund balance for the general fund was \$ 70,000 more than it should have been resulting in a prior period adjustment to general fund, fund balance in the June 30, 2024 financial statements.

Recommendation: The School should enhance their internal controls regarding the treatment of related party loans by ensuring proper reconciliation upon review of the financial statements.

View of Responsible Officials: We agree with the recommendation above and have corrected this error. All other balances have been reconciled and agree to one another in all related party financial records.