

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8 a/k/a SEASIDE
CHARTER BEACH

JACKSONVILLE, FLORIDA
(A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DUVAL COUNTY SCHOOL BOARD, FLORIDA)

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

JUNE 30, 2024

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2024

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SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH

2865 Mayport Rd.,
Jacksonville, FL 32233

2023-2024

BOARD OF DIRECTORS

Kristina Helmer, President
Jolie Usry, Treasurer
Nicole Rodriguez, Secretary
Brittany Doerpfeld, Director
Chris Ocampo, Director

SCHOOL ADMINISTRATION

Dr. Melissa Omechevarria, Principal



Verdeja • Alvarez

Certified Public Accountants & Advisors



Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Seaside School Consortium, Inc.
d/b/a Seaside Charter K-8
a/k/a Seaside Charter Beach
Jacksonville, Florida

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seaside School Consortium, Inc., d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach (the "School"), a charter school and a component unit of the District School Board of Duval County, 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 Seaside School Consortium, Inc., d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach, 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. 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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 25, 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 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 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 25, 2024

Management’s Discussion and Analysis
Seaside School Consortium, Inc.
d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach

The discussion and analysis of Seaside School Consortium, Inc. d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach (the “School”) financial performance provides an overview of the School’s financial activities for the Fiscal Year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

1. The School had a decrease in net position of \$534,135 for the fiscal year end at June 30, 2024 and the School’s net position was \$1,255,057.
2. At year-end, the School had current assets of \$1,721,769.
3. The School had a fund balance at June 30, 2024 of \$1,543,712.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2024 are presented in accordance with Governmental Accounting Standards Board (“GASB”) Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School’s assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

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

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

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 16-24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. Below is a summary of the School's net position as of June 30, 2024 and 2023:

	2024	2023
Assets		
Cash	\$ 1,533,410	\$ 1,610,039
Accounts receivable	-	300
Due from government agencies	21,753	23,539
Due from Seaside Mandarin	151,900	-
Prepaid expenses	13,206	-
Deposits	1,500	1,500
Capital and right-of use assets, net	10,833,726	11,193,477
Total Assets	\$ 12,555,495	\$ 12,828,855
Liabilities and Net Position		
Accounts payable and accrued expenses	\$ 104,771	\$ 12,864
Salaries and wages payable	73,286	53,127
Accrued interest payable	-	108,632
Right-of-use liabilities, current and non-current	11,122,381	11,122,381
Total Liabilities	11,300,438	11,297,004
Net investment in capital assets and right-of-use assets (deficit)	(288,655)	71,096
Unrestricted	1,543,712	1,460,755
Total Net Position	1,255,057	1,531,851
Total Liabilities and Net Position	\$ 12,555,495	\$ 12,828,855

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

At June 30, 2024, the School's total assets were \$12,555,495 and total liabilities were \$11,300,438. At June 30, 2023, the School reported total net position of \$1,255,057.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2024 and 2023 follows:

REVENUES	<u>2024</u>	<u>2023</u>
State sources:		
Categorical programs and other	\$ 4,342,666	\$ 3,985,104
Capital outlay funding	823,585	883,505
Federal passed through state	308,818	143,717
Local and other revenue	139,475	314,152
Gain on disposition of assets and related debt	-	2,097,210
Total Revenues	<u>\$ 5,614,544</u>	<u>\$ 7,423,688</u>
EXPENSES		
Instruction	\$ 3,729,011	\$ 2,858,950
Student and instructional support services	40,049	22,471
General administration	101,465	93,551
School administration	664,580	652,340
Board services	11,080	63,197
Fiscal services	27,237	183,859
Operation of plant	708,809	662,942
Maintenance of plant	107,149	1,851
Community services	156,261	146,145
Interest expense	603,048	492,748
Total Expenses	<u>6,148,689</u>	<u>5,178,054</u>
Change in Net Position	(534,145)	2,245,634
Net Position at Beginning of Year, as restated	<u>1,789,202</u>	<u>(713,783)</u>
Net Position at End of Year	<u>\$ 1,255,057</u>	<u>\$ 1,531,851</u>

The School's total revenues for the year ended June 30, 2024 were \$5,614,544 while its total expenses were \$6,148,689 for a net decrease of \$534,145.

ACCOMPLISHMENTS

Seaside Charter North (School) has proudly received the “Best Charter School in Jacksonville” award from Folio Magazine, reflecting our commitment to providing high-quality education. An impressive 96% of families surveyed indicated they would recommend Seaside to others, demonstrating strong community support and trust in our programs.

For the 2024/2025 school year, the School is excited to report an enrollment of nearly 485 students, highlighting our continued growth and appeal within the community. These achievements are a testament to the hard work of School’s staff, students and families.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the School. Questions concerning any of the information provided in this report or requests for additional information should be addressed to School Consortium, Inc.; 2865 Mayport Rd, Jacksonville, FL 32233.

SCHOOL LOCATION

The School operates in the Jacksonville area located at 2865 Mayport Rd, Jacksonville, FL 32233.

CAPITAL IMPROVEMENT REQUIREMENT

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND

As noted earlier, the School uses fund accounting to comply with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the School’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the Fiscal Year.

At the end of the fiscal year, the School’s governmental funds reported a decrease of \$174,394 in fund balance and had an ending fund balance of \$1,543,712.

CAPITAL AND RIGHT-OF-USE ASSETS

The School’s investment in capital assets and right-of-use assets, as of June 30, 2024, amounts to \$10,833,726 (net of accumulated depreciation). This investment in capital assets includes facility leases, leasehold improvements, and furniture, fixtures and equipment.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,803,238	\$ 3,803,238	\$ 4,342,666
State capital outlay funding	565,442	565,442	823,585
Federal grants	369,163	369,163	308,818
Charges and other miscellaneous local sources	453,633	453,633	139,475
TOTAL REVENUES	<u>\$ 5,191,476</u>	<u>\$ 5,191,476</u>	<u>\$ 5,614,544</u>
EXPENDITURES			
Instruction	\$ 2,907,944	\$ 2,907,944	\$ 3,691,444
Student and instructional support services	96,663	96,663	40,049
General administration	91,600	91,600	101,465
School administration	742,794	742,794	664,580
Board services	95,000	95,000	11,080
Fiscal services	24,180	24,180	27,237
Central services	22,050	22,050	-
Operation of plant	-	-	368,838
Maintenance of plant	-	-	107,149
Community services	131,182	131,182	156,261
Capital Outlay:			
Other capital outlay	-	-	17,787
Interest	650,000	650,000	603,048
TOTAL EXPENDITURES	<u>\$ 4,761,413</u>	<u>\$ 4,761,413</u>	<u>\$ 5,788,938</u>
NET CHANGE IN FUND BALANCE	<u>\$ 430,063</u>	<u>\$ 430,063</u>	<u>\$ (174,394)</u>

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,533,410
Due from government agencies	21,753
Due from Seaside Mandarin	151,900
Prepaid expenses	13,206
Deposits	1,500
TOTAL CURRENT ASSETS	<u>1,721,769</u>
CAPITAL AND RIGHT-OF-USE ASSETS, NET	<u>10,833,726</u>
TOTAL ASSETS	<u><u>\$ 12,555,495</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued expenses	\$ 104,771
Salaries and wages payable	73,286
Right-of-use liabilities, current	106,481
TOTAL CURRENT LIABILITIES	<u>284,538</u>
Right-of-use liabilities, non-current	<u>11,015,900</u>
TOTAL LIABILITIES	<u>11,300,438</u>
NET POSITION	
Net investment in capital assets and right-of-use assets (deficit)	(288,655)
Unrestricted	1,543,712
TOTAL NET POSITION	<u>1,255,057</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 12,555,495</u></u>

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

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions	Expenses	Program Revenues			Net (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 3,729,011	\$ -	\$ 308,818	\$ -	\$ (3,420,193)
Student and instructional support services	40,049	-	-	-	(40,049)
General administration	101,465	-	-	-	(101,465)
School administration	664,580	-	-	-	(664,580)
Board services	11,080	-	-	-	(11,080)
Fiscal services	27,237	-	-	-	(27,237)
Operation of plant	708,809	-	-	823,585	114,776
Maintenance of plant	107,149	-	-	-	(107,149)
Community services	156,261	-	-	-	(156,261)
Interest expense	603,048	-	-	-	(603,048)
Total Governmental Activities	\$ 6,148,689	\$ -	\$ 308,818	\$ 823,585	\$ (5,016,286)
GENERAL REVENUES:					
					\$ 4,342,666
					138,573
					902
					<u>4,482,141</u>
					Change in Net Position (534,145)
					<u>NET POSITION - BEGINNING, AS RESTATED 1,789,202</u>
					<u>NET POSITION - ENDING \$ 1,255,057</u>

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

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Nonmajor Club and Activities Fund	Total
ASSETS					
Cash	\$1,386,840	\$ -	\$ 128,036	\$ 18,534	\$1,533,410
Due from government agencies	21,753	-	-	-	21,753
Due from Seaside Mandarin	151,900	-	-	-	151,900
Prepaid expenses	13,206	-	-	-	13,206
Deposits	1,500	-	-	-	1,500
TOTAL ASSETS	\$1,575,199	\$ -	\$ 128,036	\$ 18,534	\$1,721,769
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 104,771	\$ -	\$ -	\$ -	\$ 104,771
Salaries and wages payable	73,286	-	-	-	73,286
TOTAL LIABILITIES	178,057	-	-	-	178,057
FUND BALANCE					
Non-spendable	14,706	-	-	-	14,706
Unassigned	1,382,436	-	128,036	18,534	1,529,006
TOTAL FUND BALANCE	1,397,142	-	128,036	18,534	1,543,712
TOTAL LIABILITIES AND FUND BALANCE	\$1,575,199	\$ -	\$ 128,036	\$ 18,534	\$1,721,769

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

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds	\$	1,543,712
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

		320,056
Capital assets		
Accumulated depreciation		(177,441)

Right-of-use assets and liabilities used in governmental activities are not financial resources or obligation and therefore not reported.

		10,691,111
Right-of-use asset		
Right-of-use liability		(11,122,381)

Total Net Position - Governmental Activities	\$	<u><u>1,255,057</u></u>
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The accompanying notes are an integral part of this financial statement.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Nonmajor Club and Activities Fund	Total Governmental Funds
REVENUES					
State sources:					
Categorical programs and other	\$ 4,342,666	\$ -	\$ -	\$ -	\$ 4,342,666
Capital outlay funding	-	-	823,585	-	823,585
Federal passed through state	-	308,818	-	-	308,818
Local and other revenue	1,424	-	-	138,051	139,475
TOTAL REVENUES	\$ 4,344,090	\$ 308,818	\$ 823,585	\$ 138,051	\$ 5,614,544
EXPENDITURES					
Instruction	\$ 3,382,626	\$ 308,818	\$ -	\$ -	\$ 3,691,444
Student and instructional support services	40,049	-	-	-	40,049
General administration	101,465	-	-	-	101,465
School administration	664,580	-	-	-	664,580
Board services	11,080	-	-	-	11,080
Fiscal services	27,237	-	-	-	27,237
Operation of plant	302,310	-	66,528	-	368,838
Maintenance of plant	81,176	-	25,973	-	107,149
Community services	-	-	-	156,261	156,261
Capital Outlay:					
Other capital outlay	17,787	-	-	-	17,787
Debt Service:					
Interest	-	-	603,048	-	603,048
TOTAL EXPENDITURES	4,628,310	308,818	695,549	156,261	5,788,938
NET CHANGE IN FUND BALANCE	(284,220)	-	128,036	(18,210)	(174,394)
Fund balance at beginning of year, as restated	1,681,362	-	-	36,744	1,718,106
Fund balance at end of year	\$ 1,397,142	\$ -	\$ 128,036	\$ 18,534	\$ 1,543,712

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

SEASIDE SCHOOL CONSORTIUM, INC.

d/b/a SEASIDE CHARTER K-8

a/k/a SEASIDE CHARTER BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FOR THE YEAR ENDED JUNE 30, 2024**

Change in Fund Balance - Governmental Funds \$ (174,394)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	17,787
Depreciation expense	(53,565)

In the statement of activities, amortization of the right-of-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.

Amortization of right-of-use assets	(323,973)
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Change in Net Position of Governmental Activities	<u>\$ (534,145)</u>
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The accompanying notes are an integral part of this financial statement.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Seaside School Consortium, Inc. d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach (the “School”), a component unit of the Duval County School Board, Florida, was established in July 2013 as a public charter school to serve students of Duval County. Seaside School Consortium, Inc. (the “Company”) is a Florida nonprofit corporation organized in August 1997. There were 485 students enrolled for the 2024-2025 school year.

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 the Company 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. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

The School operates under a charter granted by the sponsoring Duval County School Board. The current charter is effective until June 30, 2027, and may be renewed in increments of five years 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 which case the School Board is required to notify the School in writing at least ninety 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 is considered a component unit of the Duval County School Board.

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 basic 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 basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Major individual governmental funds, namely the general, special revenue, and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

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

Additionally, the School reports separately the following nonmajor fund type:

Club and Activities Fund – This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Cash and Cash Equivalents

The School considers all demand accounts and money market funds which are not subject to withdrawal restrictions to be cash and cash equivalents.

The School maintains its cash accounts at one financial institution. The School’s accounts at this institution, 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).

Accounts receivable

Accounts receivable consists of amounts due from contributions, donations and pledges.

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.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Student funding is provided by the State of Florida through the School District. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a pro-rata basis over the twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

Income taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

Capital Assets, Depreciation and Amortization

Capital assets, which include property, plant and equipment, are reported in the component unit financial statements. Property, plant, and equipment with initial individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Property, plant, and equipment are depreciated using the straight-line method over the following estimated lives:

Improvements to building	2-4 years
Furniture, fixtures and equipment	5 years
Building	15 years

Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation and amortization expense is not reported within the governmental fund financial statements.

The School has recorded a right to use lease asset as a result of implementing *GASB 87, Leases*. The right to 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 to use asset is amortized on a straight-line basis over the life of the related lease.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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, and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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. The School does not have any unearned revenues as of June 30, 2024.

Government-wide Fund Net Position

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2024 was a deficit balance of \$288,655.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2024 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2024, the School had \$14,706 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2024, the School had \$0 restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2024, there is no committed fund balance.

Governmental Fund Balances (Continued)

- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2024, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

SEASIDE SCHOOL CONSORTIUM, INC.
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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, and committed fund balance at the end of the fiscal year by adjusting journal entries. First, non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2024, there are no minimum fund balance requirements for any of the School’s funds.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budget

An operating budget is adopted and maintained by the governing board for the School 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.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 25, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in major banks. As of June 30, 2024, the School’s deposits consisted of cash balances of \$1,566,578.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Seaside School Consortium, Inc. which also operates various other charter schools. All bank accounts are opened under the account ownership of Seaside School Consortium, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2024, bank balances in potential excess of FDIC coverage totaled \$1,316,578.

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 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 – CAPITAL ASSETS AND RIGHT-OF-USE ASSETS

The following schedule provides a summary of changes in capital assets, acquired partly with public funds, for the year ended June 30, 2024:

	Balance			Balance
	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets				
Improvements to building	\$ 87,895	\$ 7,900	\$ -	\$ 95,795
Furniture, fixtures and equipment	214,374	9,887	-	224,261
Total capital assets	302,269	17,787	-	320,056
Less accumulated depreciation:				
Improvements to building	(14,199)	(15,998)	-	(30,197)
Furniture, fixtures and equipment	(109,677)	(37,567)	-	(147,244)
Total accumulated depreciation	(123,876)	(53,565)	-	(177,441)
Capital assets, net	\$ 178,393	\$ (35,778)	\$ -	\$ 142,615

Depreciation expense for the year ended June 30, 2024, was \$53,565, of which \$37,567 was allocated to the instruction and \$15,998 was allocated to operation of plant.

The following schedule provides changes in right-of-use assets:

	Balance			Balance
	July 1, 2023	Additions	Deletions	June 30, 2024
Right-of-use assets				
Right-of-use asset - facilities	\$ 11,204,068	\$ -	\$ -	\$ 11,204,068
Total right-of-use assets	11,204,068	-	-	11,204,068
Less accumulated amortization:				
Total accumulated depreciation	(188,984)	(323,973)	-	(512,957)
Right-of-use assets, net	\$ 11,015,084	\$ (323,973)	\$ -	\$ 10,691,111

Amortization expense for the year ended June 30, 2024 was \$323,973, which was allocated to operation of plant.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – RIGHT-OF-USE LIABILITY

Lease

The School entered into a facility lease, effective October 1, 2022, as part of a transaction consisting of a bond issuance by Seaside School Consortium Properties, LLC (Note 10). The lease is through September 2057 and requires monthly principal and interest payments through June 2057. The lease agreement qualifies as an other than short-term lease under GASB 87 and has been recorded at the present value of the future minimum lease payments. The discount rate used to recognize the intangible right of use asset and the lease liability was the weighted average interest rate of the Series 2022 bonds.

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

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024
Right-of-use liability	\$ 11,122,381	\$ -	\$ -	\$ 11,122,381
	<u>\$ 11,122,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,122,381</u>

Future maturities are as follows:

Fiscal Year Ended	Principal	Interest	Total
2025	\$ 106,481	\$ 649,444	\$ 755,925
2026	113,488	643,018	756,506
2027	120,426	636,184	756,610
2028	127,319	628,943	756,262
2029-2033	751,750	3,021,556	3,773,306
2034-2038	1,013,655	2,765,289	3,778,944
2039-2043	1,352,276	2,421,899	3,774,175
2044-2048	1,816,020	1,962,249	3,778,269
2049-2053	2,428,463	1,346,187	3,774,650
2054-2057	3,292,503	474,922	3,767,425
Total	<u>\$ 11,122,381</u>	<u>\$ 14,549,691</u>	<u>\$ 25,672,072</u>

NOTE 6 – RETIREMENT PLAN

The School sponsors the Seaside Charter School Retirement Plan (the “Plan”), which is a defined contribution plan. The Plan operates under Section 403(b) of the Internal Revenue Code. All eligible employees may elect to contribute a portion of their pretax annual compensation, with certain limitations, 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 made no contributions to the Plan during the year ending June 30, 2024.

NOTE 7 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 – DUE FROM OTHER GOVERNMENTS

Due from government agencies at June 30, 2024 consists of amounts due from the School Board for capital outlay and for other federal grants.

NOTE 9 – CONTINGENCIES

The School, as a department of the Company, 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 School 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 Company, and as a result, the School is in the process of completing this requirement.

NOTE 10 – COMMITMENTS

In October 2022, the Florida Development Finance Corporation (the “Corporation”) issued \$ 21,420,000 in Tax-Exempt Educational Facilities Lease Revenue and Revenue Refunding Bonds, Series 2022A, and \$580,000 in Taxable Educational Facilities Lease Revenue and Revenue Refunding Bonds, Series 2022B, pursuant to an Indenture of Trust between the Corporation and a trustee to make a loan to Seaside School Consortium Properties, LLC (“Properties”), a Florida limited liability company, whose sole member is Seaside School Consortium, Inc., to refund the Tax-Exempt Educational Facilities Revenue Bonds, Series 2018A, and Taxable Educational Facilities Revenue Bonds, Series 2018B (\$ 9,245,000). In order to secure payment of the principal and interest on the bonds, the Corporation assigned all of its rights and interest in the loan agreement to the trustee.

Concurrent with the preceding loan transaction, Properties entered into a lease agreement with the School. The facilities which are owned by Properties are leased to the Beach and Mandarin schools under a 35-year lease (Note 5). The leases are deemed to be intangible right-of-use leases and the lease payments are based on the debt service requirements of the bonds which extend through June 2057. These payments are made from the revenues received from the School Board of Duval County for operation of the Schools. Payments are applied by the trustee to make sinking fund payments.

NOTE 11 – RESTATEMENTS TO PRIOR PERIOD

During the year ended June 30, 2024, there were restatements to beginning net assets of approximately \$257,000, as reflected in the accompanying statement of net position, due largely to a correction to the balance of Due from Seaside Charter Mandarin at June 30, 2023. This correction was necessary to match the offsetting Due to Seaside Charter Beach balance on the books of Seaside Charter Mandarin.

REQUIRED SUPPLEMENTAL INFORMATION

SEASIDE SCHOOL CONSORTIUM, INC.**d/b/a SEASIDE CHARTER K-8****a/k/a SEASIDE CHARTER BEACH****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET****AND ACTUAL - GENERAL FUND****FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,803,238	\$ 3,803,238	\$ 3,963,000
Local tax referendum	-	-	379,666
Charges and other miscellaneous local sources	453,633	453,633	1,424
TOTAL REVENUES	<u>4,256,871</u>	<u>4,256,871</u>	<u>4,344,090</u>
EXPENDITURES			
Instruction	\$ 2,599,126	\$ 2,599,126	\$ 3,382,626
Student and instructional support services	96,663	96,663	40,049
General administration	91,600	91,600	101,465
School administration	742,794	742,794	664,580
Board services	95,000	95,000	11,080
Fiscal services	24,180	24,180	27,237
Central services	22,050	22,050	-
Operation of plant	309,932	309,932	302,310
Maintenance of plant	59,701	59,701	81,176
Capital Outlay:			
Other capital outlay	-	-	17,787
TOTAL EXPENDITURES	<u>4,041,046</u>	<u>4,041,046</u>	<u>4,628,310</u>
NET CHANGE IN FUND BALANCE	<u>\$ 215,825</u>	<u>\$ 215,825</u>	<u>\$ (284,220)</u>

See accompanying note to the required supplemental information.

SEASIDE SCHOOL CONSORTIUM, INC.

d/b/a SEASIDE CHARTER K-8

a/k/a SEASIDE CHARTER BEACH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET

AND ACTUAL – SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Special Revenue Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal passed through state	\$ 369,163	\$ 369,163	\$ 308,818
TOTAL REVENUE	<u>369,163</u>	<u>369,163</u>	<u>308,818</u>
EXPENDITURES			
Instruction	308,818	308,818	308,818
TOTAL EXPENDITURES	<u>308,818</u>	<u>308,818</u>	<u>308,818</u>
NET CHANGE IN FUND BALANCE	<u>\$ 60,345</u>	<u>\$ 60,345</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

SEASIDE SCHOOL CONSORTIUM, INC.
d/b/a SEASIDE CHARTER K-8
a/k/a SEASIDE CHARTER BEACH
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2024, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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



Verdeja • Alvarez

Certified Public Accountants & Advisors



Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Seaside School Consortium, Inc.
d/b/a Seaside Charter K-8
a/k/a Seaside Charter Beach
Jacksonville, 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 and aggregate remaining fund information of Seaside School Consortium, Inc., d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach (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 25, 2024.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 25, 2024



Verdeja • Alvarez

Certified Public Accountants & Advisors



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Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

MANAGEMENT LETTER

Board of Directors
Seaside School Consortium, Inc.
d/b/a Seaside Charter K-8
a/k/a Seaside Charter Beach
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of Seaside School Consortium, Inc., d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach (the "School"), a component unit of the District School Board of Duval County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 25, 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 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 25, 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 or recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires 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 and the school code assigned by the Florida Department of Education of the school is Seaside School Consortium, Inc., d/b/a Seaside Charter K-8 a/k/a Seaside Charter Beach and #165401.

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. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2024 is not deteriorating.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintains the most recent governing board minutes on its web site.

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 have any such findings.

Purpose of this Letter

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 25, 2024