

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

BEULAH ACADEMY OF SCIENCE, INC.

**A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2023

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2023

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**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beulah Academy of Science, Inc, (the "Academy") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy'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 the Academy as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy, 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 Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy'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 Academy'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 general fund 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.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying capital projects fund budgetary comparison and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, capital projects fund budgetary comparison information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2023, on our consideration of the Academy'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 Academy'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 Academy's internal control over financial reporting and compliance.



Pensacola, Florida
August 15, 2023

**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
Beulah Academy of Science, Inc.
Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beulah Academy of Science, Inc. (the "Academy") (a component unit of the Escambia County District School Board) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated August 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 over financial reporting 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.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of 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.



Pensacola, Florida
August 15, 2023

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

As management of Beulah Academy of Science, Inc., (the "Academy"), we offer readers of the Academy's financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2023 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the Academy's financial activities, (c) identify changes in the Academy's financial position, and (d) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis ("MD&A") is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the Basic Financial Statements found on pages 10 through 26.

FINANCIAL HIGHLIGHTS

- As of June 30, 2023, the Academy's governmental funds reported combined ending fund balances of \$1,796,425, a decrease of \$193,497 in comparison with prior year.
- At June 30, 2023, unassigned balance for the general fund was \$1,766,037 and assigned balance for the capital fund was \$30,388.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 Academy's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Academy's assets and liabilities, with the difference between the two 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 Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy's net position changed during the most recent fiscal 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.

Both of the government-wide financial statements distinguish functions of the Academy that are principally supported by the Escambia County District School Board (the "District"), state, and federal funding (governmental activities). The governmental activities of the Academy include instruction, health services, school administration, facilities acquisition and construction, fiscal services, food services, central services, pupil transportation services, operation of plant, maintenance of plant, and principal and interest on long-term debt.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The government-wide financial statements can be found on pages 10 and 11 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 Academy, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the Academy are presented in governmental funds only.

Government funds - Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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 a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Academy maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 12 and 14 of this report.

Notes to the financial statements - The notes 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 18 through 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed financial information - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023
(Continued)

	2023	2022
Total assets, excluding capital assets	\$ 1,803,223	\$ 1,995,647
Capital assets	4,479,176	3,711,366
Total assets	\$ 6,282,399	\$ 5,707,013
Total liabilities, excluding long-term liabilities	\$ 6,798	\$ 5,725
Long-term liabilities	2,606,973	2,157,527
Total liabilities	2,613,771	2,163,252
Net investment in capital assets	1,872,203	1,553,839
Unrestricted net position	1,796,425	1,989,922
Total net position	3,668,628	3,543,761
Total liabilities and net position	\$ 6,282,399	\$ 5,707,013
Program revenues:		
District	\$ 277,578	\$ 359,543
Federal through state	102,354	149,624
Internal	44,419	3,843
General revenues:		
District	2,338,600	1,994,226
Other	10	10
Total revenues	2,762,961	2,507,246
Program expenses:		
Instruction	1,097,690	856,875
Health services	39,216	36,831
General support services	-	138
School administration	295,829	277,983
Facilities acquisition and construction	3,644	3,405
Fiscal services	21,917	13,500
Food services	195,051	199,875
Central services	123,074	104,706
Pupil transportation services	253,513	236,281
Operation of plant	324,278	286,065
Maintenance of plant	184,313	104,493
Interest on long-term debt	101,335	49,731
Financing costs	-	116,062
Total expenses	2,639,860	2,285,945
Change in net position	\$ 123,101	\$ 221,301

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023
(Continued)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Academy's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Academy'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.

As of June 30, 2023, the Academy's governmental funds reported combined ending fund balances of \$1,796,425.

BUDGETARY HIGHLIGHTS

The Academy made various amendments to the original budgets during the year based on changes in expected funding sources and expenditures. The most significant budgetary amendments for the General Fund were to increase the budget for intergovernmental revenue sources and for instruction, facilities acquisition and construction, and operation of plant expenditures. The most significant budgetary amendment for the Capital Projects Fund was to increase the budget for operation of plant expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets - The Academy's investment in capital assets for its governmental activities as of June 30, 2023, amounted to \$4,479,176 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, furniture, fixtures and equipment, vehicles, computer software, and construction in progress.

Debt - The Academy's long-term debt consists of \$2,606,973 due under notes payable. This amount is payable with future financial resources and are therefore shown as reconciling items from the governmental funds balance sheet to the statement of net position.

ECONOMIC FACTORS

Funding from the District according to the number of students enrolled primarily supports the Academy.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Academy's finances for all those with an interest in the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Beulah Academy of Science, Inc., 8633 Beulah Road, Pensacola, Florida 32526.

BASIC FINANCIAL STATEMENTS

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

	Governmental Activities
Assets:	
Cash	\$ 1,732,402
Accounts receivable	70,821
Capital assets, net of accumulated depreciation of \$1,598,204	4,479,176
Total Assets	\$ 6,282,399

LIABILITIES AND NET POSITION

Liabilities:	
Accounts payable	\$ 5,932
Accrued liabilities	866
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	54,375
Portion due or payable after one year:	
Notes payable	2,552,598
Total liabilities	2,613,771
Net Position:	
Net investment in capital assets	1,872,203
Unrestricted	1,796,425
Total net position	3,668,628
Total Liabilities and Net Position	\$ 6,282,399

The accompanying notes are an integral
part of these financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets:			
Cash	\$ 1,702,014	\$ 30,388	\$ 1,732,402
Accounts receivable	70,821	-	70,821
Total Assets	\$ 1,772,835	\$ 30,388	\$ 1,803,223

LIABILITIES AND FUND BALANCES

Liabilities:			
Accounts payable	\$ 5,932	\$ -	\$ 5,932
Accrued liabilities	866	-	866
Total liabilities	6,798	-	6,798
Fund Balances:			
Unrestricted:			
Unassigned	1,766,037	-	1,766,037
Assigned	-	30,388	30,388
Total fund balances	1,766,037	30,388	1,796,425
Total Liabilities and Fund Balances	\$ 1,772,835	\$ 30,388	\$ 1,803,223

The accompanying notes are an integral
part of these financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds \$ 1,796,425

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$6,077,380 and the accumulated depreciation is \$1,598,204. 4,479,176

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (2,606,973)

Total Net Position - Governmental Activities \$ 3,668,628

The accompanying notes are an integral part of these financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Intergovernmental	\$ 2,448,989	\$ 167,189	\$ 2,616,178
Student meals	148,539	-	148,539
Other	10	-	10
	<u>2,597,538</u>	<u>167,189</u>	<u>2,764,727</u>
Expenditures:			
Current - Education:			
Instruction	1,069,384	-	1,069,384
Health services	39,216	-	39,216
School administration	291,837	-	291,837
Fiscal services	21,917	-	21,917
Food services	189,345	-	189,345
Central services	123,074	-	123,074
Pupil transportation services	198,440	-	198,440
Operation of plant	256,831	-	256,831
Maintenance of plant	85,513	98,800	184,313
Capital Outlay:			
Instruction	1,440	-	1,440
Facilities acquisition and construction	878,382	34,097	912,479
Operation of plant	18,059	-	18,059
Debt Service:			
Principal	-	56,826	56,826
Interest	-	101,335	101,335
	<u>3,173,438</u>	<u>291,058</u>	<u>3,464,496</u>
Total expenditures			
	<u>(575,900)</u>	<u>(123,869)</u>	<u>(699,769)</u>
Deficiency of revenues under expenditures			
Other Financing Sources:			
Proceeds from note payable	506,272	-	506,272
	<u>(69,628)</u>	<u>(123,869)</u>	<u>(193,497)</u>
Net Change in Fund Balances			
	<u>1,835,665</u>	<u>154,257</u>	<u>1,989,922</u>
Fund Balances at July 1, 2022			
	<u>\$ 1,766,037</u>	<u>\$ 30,388</u>	<u>\$ 1,796,425</u>
Fund Balances at June 30, 2023			

The accompanying notes are an integral
part of these financial statements.

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change In Fund Balances - Governmental Funds \$ (193,497)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense (\$164,168) exceeds capital outlays (\$931,978) in the period. 767,810

Financing was obtained to fund current and future capital outlay expenditures. The proceeds received are reported in the governmental funds within other financing sources, but the amount financed increases long-term liabilities in the statement of net position. (506,272)

Principal payments on long-term debt are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net position. 56,826

Change in Net Position - Governmental Activities \$ 124,867

The accompanying notes are an integral part of these financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
JUNE 30, 2023

	<u>Custodial Fund</u>
Assets:	
Cash	\$ <u>57,019</u>
 Net Position:	
Restricted for student groups	\$ <u>57,019</u>

The accompanying notes are an integral
part of these financial statements.

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND
JUNE 30, 2023**

	<u>Custodial Fund</u>
Additions:	
Contributions	\$ 65,181
Deductions:	
Beneficiary payments to student groups	55,703
Net Increase in Fiduciary Net Position	9,478
Net Position at July 1, 2022	47,541
Net Position at June 30, 2023	\$ 57,019

The accompanying notes are an integral
part of these financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity:

Beulah Academy of Science, Inc. (the “Academy”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the Academy is the Board of Directors.

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The Academy operates under a charter of the sponsoring school district, the Escambia County District School Board. The current charter is effective until June 30, 2026. The Academy is considered a component unit of the Escambia County District School Board.

Criteria for determining if other entities are potential component units which should be reported within the Academy’s financial statements are identified and described in the Governmental Accounting Standards Board’s (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to individuals who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Financial Statement Presentation:

The accompanying financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements are prepared using 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.

Program revenues included in the statement of activities derive directly from the program itself or from parties outside the Academy. Program revenues reduce the cost of the function to be financed from the Academy’s general revenues.

FUND FINANCIAL STATEMENTS (FFS) - GOVERNMENTAL FUNDS

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The Academy reports the following major governmental funds and fiduciary fund:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Academy. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the General Fund.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Financial Statement Presentation (Continued):

FIDUCIARY FUND

Custodial Fund - The Custodial Fund accounts for the receipt and disbursement of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the Academy's Administrator. This accounting reflects the Academy's custodial relationship with the student activity organizations.

Restricted and Unrestricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Academy's policy to use restricted resources first, then unrestricted resources as they are needed. Within the unrestricted category, committed resources are used first, then assigned resources, if any, followed by unassigned resources as needed.

Assigned Fund Balance:

The Florida Commissioner of Education allocates capital outlay funds to eligible charter schools, and those funds are assigned to the Academy's Capital Projects Fund. Capital outlay funds are to be used for the following purposes: purchase of real property, construction of school facilities, purchase, lease-purchase, or lease of permanent or relocatable school facilities, purchase of vehicles to transport students, or renovation, repair, and maintenance of school facilities that a charter school owns or is purchasing through a lease-purchase or long-term lease.

Restricted Net Position/Fund Balance:

Restricted net position/fund balance includes liquid assets generated from revenues which are not accessible for general use because of third-party grantor limitations.

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.

Income Taxes:

The organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). As a result, there is no provision for taxes in the accompanying financial statements.

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets:

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following estimated useful lives:

Improvements other than buildings	5-10 years
Buildings	5-50 years
Furniture, fixtures and equipment	5-10 years
Vehicles	10 years
Computer software	5 years

Long-Term Debt:

All long-term debt is recorded as liabilities in the GWFS when incurred. Principal and interest payments are recorded as expenditures in the General Fund or the Capital Projects Fund in the FFS, with a corresponding reduction in the liability in the GWFS for the amount of the principal payment.

Risk Management Programs:

Automobile liability, general liability, property, and workers' compensation coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks did not exceed commercial coverage during the last three years.

Revenue Sources:

The Academy's primary revenue source is the Escambia County District School Board ("District"). Pursuant to the provision of the Academy's charter and Section 1002.33, Florida Statutes, the Academy reports full time equivalents ("FTEs") to the District. The District, under Section 1011.62, Florida Statutes, then reports the number of FTEs to the Florida Department of Education for funding under the Florida Education Finance Program. The District retains an administration charge from the total FTE funding attributed to the Academy, therefore actual revenue recorded by the Academy represents the remainder of FTE funding after the administrative charge. Academy revenue is adjusted during the year to reflect changes in the number of FTEs.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (Continued):

The Academy also receives Federal and State awards for the enhancement of various educational programs and facilities. Federal and State awards are generally received based on applications submitted to and approved by various granting agencies.

The Academy receives funding under the provisions of Section 1013.62, Florida Statutes, which provides capital outlay funding for charter schools. This amount is recorded as deferred revenue rather than as revenue until the Academy incurs and requests reimbursement for qualifying capital outlay expenditures. Awards received from the capital outlay program are made from funds appropriated by Legislature and may be used for any lawful capital outlay purpose that is directly related to the functioning of the charter school.

Budgetary Data:

The Academy utilizes the following procedures in establishing budgetary data:

The administrator submits to the Board of Directors the proposed annual budgets for the General Fund and the Capital Projects Fund for the fiscal year commencing the next July 1. The Board of Directors legally enacts the budget through adoption, and the budget is revised periodically throughout the school year, when deemed appropriate. Budgets are presented on the modified accrual basis of accounting, except that other financing sources and related expenditures are excluded from the budget. During the fiscal year, expenditures were controlled at the total expenditures level.

NOTE 2 - CASH

At year end, the carrying amount of the Academy's deposits was \$1,789,421 (including \$57,019 in custodial funds), and the bank balance was \$1,817,431, all of which was held by a qualified public depository under Chapter 280, Florida Statutes. As such, these deposits are considered to be fully insured.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - CAPITAL ASSETS

Changes in capital assets were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Land	\$ 428,690	\$ -	\$ -	\$ 428,690
Improvements other than buildings	181,272	14,321	-	195,593
Buildings	1,880,115	-	-	1,880,115
Furniture, fixtures and equipment	519,478	39,275	-	558,753
Vehicles	536,816	-	-	536,816
Computer software	17,699	-	-	17,699
Construction in progress	1,581,332	878,382	-	2,459,714
Totals at historical cost	<u>5,145,402</u>	<u>931,978</u>	<u>-</u>	<u>6,077,380</u>
Less accumulated depreciation:				
Improvements other than buildings	54,925	6,845	-	61,770
Buildings	607,210	35,648	-	642,858
Furniture, fixtures and equipment	286,231	66,602	-	352,833
Vehicles	467,971	55,073	-	523,044
Computer software	17,699	-	-	17,699
Total accumulated depreciation	<u>1,434,036</u>	<u>164,168</u>	<u>-</u>	<u>1,598,204</u>
Capital assets, net	<u>\$ 3,711,366</u>	<u>\$ 767,810</u>	<u>\$ -</u>	<u>\$ 4,479,176</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 28,306
School administration	3,992
Facilities acquisition and construction	3,644
Food services	5,706
Pupil transportation services	55,073
Operation of plant	<u>67,447</u>
Total depreciation expense	<u>\$ 164,168</u>

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - LONG-TERM LIABILITIES

Changes in long-term liabilities were as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Notes payable	\$ 2,157,527	\$ 506,272	\$ 56,826	\$ 2,606,973	\$ 54,375

During the year ended June 30, 2022, the Academy procured a new note payable for the construction of the gym facility and refinanced the balance of the existing mortgage loan as part of that transaction. During the year ended June 30, 2023, additional draws were taken on the note payable to fund continued construction of the gym facility.

The note payable for the gym facility has an interest rate established by the Wall Street Journal Prime Rate plus 75 basis points. The interest rate will be adjusted every 5 years during the 31-year term of the loan, with an interest rate floor of 3.5%. The interest rate was 4% in the year ended June 30, 2023. The note payable is secured by the gym facility and other capital assets and is guaranteed by the United States Department of Agriculture under its program for Community Facilities Loans and Grants.

Future maturities of the note payable as of June 30, 2023 are as follows:

Year Ending June 30,	Notes Payable		
	Principal	Interest	Total
2024	\$ 54,375	\$ 96,143	\$ 150,518
2025	63,484	100,940	164,424
2026	66,070	98,354	164,424
2027	68,762	95,662	164,424
2028	71,563	92,861	164,424
Thereafter	2,282,719	1,003,045	3,285,764
	\$ 2,606,973	\$ 1,487,005	\$ 4,093,978

The credit agreements contain various provisions that, among other things, require compliance with certain financial covenants.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - SCHEDULE OF REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Sources	General Fund	Capital Projects Fund
Escambia County District School Board:		
Florida Education Finance Program	\$ 2,214,820	\$ -
Elementary and Secondary School Emergency Relief	234,169	-
Capital outlay	-	167,189
Student meals:		
National School Lunch Program	104,120	-
Internal	44,419	-
Other	10	
Total	\$ 2,597,538	\$ 167,189

NOTE 6 - RELATED PARTIES

During the year ended June 30, 2023, the spouse of the administrator of the Academy served as the Facility and Transportation Director, Board member, and a bus driver for the school. Amounts paid to the employee during the year for payroll and supplies, equipment, and fuel reimbursement totaled \$83,622.

During the year ended June 30, 2023, a son and two daughters-in-law of the administrator of the Academy provided services to the Academy. Amounts paid to the parties during the year for payroll totaled \$90,974.

During the year ended June 30, 2023, a company owned by the son of the administrator of the Academy provided services to the Academy. Amounts paid to this company during the year totaled \$16,403.

NOTE 7 - EMPLOYEE BENEFIT PLAN

The Academy has adopted a 403(b) thrift retirement plan covering substantially all employees who have completed one year of service with the Academy. The terms of the plan provide that the Academy contributes 3% of the employee's salary each pay period. The Academy's contributions to the plan amounted to \$20,341 during the year ended June 30, 2023.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Capital Outlay and Grant Funding:

As stated in Note 1, the Academy received charter school capital outlay and grant funding. The disbursement of funds received under these programs are subject to review and audit by awarding agencies, and these funds are restricted to use for lawful expenditures only. Any disbursements disallowed by the awarding agency could become liabilities of the Academy. In the event the Academy terminates operation, all unencumbered funds and all equipment and property purchased with capital outlay funds revert back to the ownership of the District.

Construction Commitment:

On June 10, 2021, the Academy entered into a contract with a contractor to construct a gym and classrooms for \$2,080,040. During the current year there were change orders increasing the contract amount to \$2,399,545. As of June 30, 2023, the remaining commitment under the contract totaled \$103,854.

Litigation:

The Academy is subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of business. In the opinion of management, there are no lawsuits or claims outstanding, which could have a material adverse effect on the financial position or activities of the Academy.

REQUIRED SUPPLEMENTARY INFORMATION

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 2,146,359	\$ 2,446,370	\$ 2,448,989	\$ 2,619
Student meals	153,416	148,266	148,539	273
Other	9	9	10	1
Total revenues	<u>2,299,784</u>	<u>2,594,645</u>	<u>2,597,538</u>	<u>2,893</u>
Expenditures:				
Current - Education:				
Instruction	998,374	1,080,083	1,069,384	10,699
Exceptional student education	5,000	5,000	-	5,000
Health services	40,558	40,558	39,216	1,342
School administration	287,478	305,096	291,837	13,259
Fiscal services	17,400	21,917	21,917	-
Food services	221,751	198,982	189,345	9,637
Central services	107,400	124,566	123,074	1,492
Pupil transportation services	199,844	205,356	198,440	6,916
Operation of plant	233,269	264,058	256,831	7,227
Maintenance of plant	127,363	88,121	85,513	2,608
Capital Outlay:				
Instruction	5,000	3,600	1,440	2,160
School administration	5,000	1,340	-	1,340
Facilities acquisition and construction	-	381,202	878,382	(497,180)
Operation of plant	-	18,688	18,059	629
Total expenditures	<u>2,248,437</u>	<u>2,738,567</u>	<u>3,173,438</u>	<u>(434,871)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,347</u>	<u>(143,922)</u>	<u>(575,900)</u>	<u>(431,978)</u>
Other Financing Sources:				
Proceeds from issuance of long-term debt	-	-	506,272	506,272
Net Change in Fund Balance	51,347	(143,922)	(69,628)	74,294
Fund Balances at July 1, 2022	<u>1,835,665</u>	<u>1,835,665</u>	<u>1,835,665</u>	<u>-</u>
Fund Balances at June 30, 2023	<u>\$ 1,887,012</u>	<u>\$ 1,691,743</u>	<u>\$ 1,766,037</u>	<u>\$ 74,294</u>

SUPPLEMENTARY INFORMATION

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 180,000	\$ 166,041	\$ 167,189	\$ 1,148
Expenditures:				
Operation of plant	-	98,770	98,800	(30)
Capital Outlay:				
Facilities acquisition and construction	50,000	62,321	34,097	28,224
Debt Service:				
Principal	-	57,827	56,826	1,001
Interest	180,000	103,200	101,335	1,865
 Total expenditures	 230,000	 322,118	 291,058	 31,060
Net Change in Fund Balance	(50,000)	(156,077)	(123,869)	32,208
Fund Balances at July 1, 2022	154,257	154,257	154,257	-
Fund Balances at June 30, 2023	\$ 104,257	\$ (1,820)	\$ 30,388	\$ 32,208

OTHER REPORTS AND SCHEDULES

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Beulah Academy of Science, Ince (the “Academy’s”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Academy’s major federal program for the year ended June 30, 2023. The Academy’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Academy’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Academy’s federal programs.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
August 15, 2023

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Contract Number	Federal Expenditures
<u>U.S. Department of Agriculture:</u>			
Community Facilities Loans and Grants (Community Programs)	10.780	N/A	<u>\$ 2,606,973</u>
Passed through the Florida Department of Agriculture and Consumer Services			
National School Lunch Program	10.555	18072	<u>104,120</u>
<u>U.S. Department of Education:</u>			
Passed through the Florida Department of Education			
Elementary and Secondary School Emergency Relief (ESSER)		2093	
CARES Act - ESSER I and II	84.425D		222,930
ARP - ESSER III	84.425U		11,239
			<u>234,169</u>
			<u><u>\$ 2,945,262</u></u>

NOTE 1 - BASIS OF ACCOUNTING

This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Beulah Academy of Science, Inc.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Beulah Academy of Science, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for each major federal award program for Beulah Academy of Science, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program for Beulah Academy of Science, Inc. which are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The program tested as a major program was: Community Facilities Loans and Grants (Community Programs).

Federal Program

8. The threshold for distinguishing Type A and B programs was \$750,000 for major federal programs.
9. Beulah Academy of Science, Inc. was not determined to be a low-risk auditee pursuant to the Uniform Guidance.

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023
(Continued)**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

**BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023**

There were no prior audit findings.

**INDEPENDENT ACCOUNTANT’S REPORT
ON COMPLIANCE WITH SECTION 218.45, FLORIDA STATUTES**

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

We have examined Beulah Academy of Science, Inc.’s (the “Academy’s”) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2023. The Academy’s management is responsible for the Academy’s compliance with those requirements. Our responsibility is to express an opinion on the Academy’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Academy is in compliance with specified requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Academy’s compliance with specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance with specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Academy’s compliance with specified requirements.

In our opinion, the Academy complied with the aforementioned requirements for the year ended June 30, 2023, in all material respects.

This report is intended solely for the information and use of the Academy and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
August 15, 2023

MANAGEMENT LETTER

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of Beulah Academy of Science, Inc. (the “Academy”) (a component unit of the Escambia County District School Board), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated August 15, 2023.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

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 and the school code assigned by the Florida Department of Education of the entity are Beulah Academy of Science, Inc. and 172093.

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 Academy 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 Academy 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 Academy. It is management's responsibility to monitor the Academy'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 had the following recommendations:

The Academy's current capitalization policy allows for capitalization of items less than the stated threshold of \$5,000 if the bookkeeper determines that the items have a long-term benefit. We recommend that this policy be clarified to define "long-term benefit" in order to provide consistency in the accounting treatment of capital assets.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Academy 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 Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Board of Directors
Beulah Academy of Science, Inc.
Pensacola, Florida

Purpose of this Letter

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

Saltmarsh Cleveland & Gurd

Pensacola, Florida
August 15, 2023