

BEACON COLLEGE PREP K-8 CENTER
(MSID 6034)
OPA LOCKA, FLORIDA
(A CHARTER SCHOOL UNDER BEACON COLLEGE PREP, INC.)

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

JUNE 30, 2025



CERTIFIED PUBLIC ACCOUNTANTS

BEACON COLLEGE PREP K-8 CENTER
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2025

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**BEACON COLLEGE PREP K-8 CENTER
(A Charter School Under Beacon College Prep, Inc.)**

13400 NW 28th Avenue
Opa Locka, FL 33054
(786) 353-6109

2024-2025

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Ms. Melissa Krinzman, Secretary
Mr. Octavio Verdeja, Treasurer
Ms. Virginia Akar, Board Member
Ms. Lori-Ann Cox, Board Member

SCHOOL ADMINISTRATION

Mr. Sergio Bonilla, Principal
Mr. Carlos Gonzalez, Governing Board Liaison



CERTIFIED PUBLIC ACCOUNTANTS



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JACKSON & DIAZ
P.A.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beacon College Prep K-8 Center
Opa Locka, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beacon College Prep K-8 Center (the "School"), a charter school under Beacon College Prep, Inc., and a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Directors
Beacon College Prep K-8 Center

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 27-28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2025, and the respective changes in the financial position for the year then ended, and is not intended to be a complete presentation of Beacon College Prep, Inc. These financial statements do not purport to and do not present fairly the financial position of Beacon College Prep, Inc. as of June 30, 2025 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Beacon College Prep K-8 Center

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 15, 2025



CERTIFIED PUBLIC ACCOUNTANTS

**BEACON COLLEGE PREP K-8 CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The corporate officers of Beacon College Prep K-8 Center (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

1. At June 30, 2025, the School had current assets of \$1,680,413.
2. At June 30, 2025, the School had a positive net position of \$462,475.
3. For the year ended June 30, 2025, the School's expenses exceeded revenues by \$369,150.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2025 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

**BEACON COLLEGE PREP K-8 CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Notes to Basic Financial Statements

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

The notes to the financial statements can be found on pages 16 – 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2025 and 2024 follows:

	2025	2024
ASSETS		
Cash	\$ 832,674	\$ 1,337,309
Due from governmental agencies, net	847,739	925,392
Capital assets - net	824,286	354,978
Right-of-use asset	10,428,936	10,758,843
Deposit	12,223	12,223
TOTAL ASSETS	<u>\$ 12,945,858</u>	<u>\$ 13,388,745</u>
LIABILITIES AND NET POSITION		
Accounts payable	\$ 4,433	\$ 100,318
Accrued expenses	8,736	-
Salaries, benefits and payroll taxes payable	317,685	354,145
Due to related party	113,553	116,890
Loan payable	-	13,685
Right-of-use liability	12,038,976	11,972,082
Total liabilities	<u>12,483,383</u>	<u>12,557,120</u>
Net investment in capital and right-to-use assets	(785,754)	(871,947)
Restricted	33,863	-
Unrestricted	1,214,366	1,703,572
Total net position	<u>462,475</u>	<u>831,625</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,945,858</u>	<u>\$ 13,388,745</u>

At June 30, 2025, the School's total assets were \$12,945,858 and total liabilities were \$12,483,384. At June 30, 2025, the School reported total net position of \$462,475.

**BEACON COLLEGE PREP K-8 CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and 2024 follows:

	2025	2024
REVENUES		
Program Revenues:		
Operating grants and contributions	\$ 1,059,070	\$ 1,288,740
State capital outlay funding	469,283	353,912
General Revenues:		
FEFP nonspecific revenue	3,549,866	3,610,000
Local sources	1,425,254	1,427,965
Fundraising and other revenue	16,068	146
Total Revenues	<u>\$ 6,519,541</u>	<u>\$ 6,680,763</u>
EXPENSES		
Board	\$ 183,946	\$ 104,115
Central services	-	68
Fiscal services	77,586	98,004
Food services	376,935	355,439
Instruction	3,160,947	3,063,165
Instructional support services	125,561	109,402
Interest expense	843,905	839,362
Maintenance of plant	135,190	71,640
Operation of plant	709,516	667,501
Pupil transportation services	10,210	13,350
School administration	780,343	526,097
Technology services	49,852	41,617
Lease amortization expenses - facilities	434,700	434,700
Total Expenses	<u>\$ 6,888,691</u>	<u>\$ 6,324,460</u>
Change in Net Position	(369,150)	356,303
Net Position at Beginning of Year	<u>831,625</u>	<u>475,322</u>
Net Position at End of Year	<u>\$ 462,475</u>	<u>\$ 831,625</u>

For the year ended June 30, 2025, the School's total revenues were \$6,519,541 while its total expenses were \$6,888,691 for a net decrease in net position of \$369,150. Most expense variances are attributable to re-branding initiatives undertaken by the School during the 2024–2025 school year to support enrollment growth.

ACCOMPLISHMENTS

Beacon College Prep K-8 Center was, once again, able to improve its schoolwide proficiency in Reading, Math, Science, and Acceleration when compared to the previous school year. As a result, the school earned its highest proficiency scores in its history and earned a state school grade of an A. This is a significant accomplishment and is a testament to the quality of Beacon College Prep K-8 Center's leadership, teachers and students.

**BEACON COLLEGE PREP K-8 CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

SCHOOL LOCATION

The School operates in the Miami area located at 13400 NW 28th Avenue, Opa Locka, FL 33054.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the School's governmental funds reported combined ending positive fund balance of \$1,248,229 and a net decrease in fund balance of \$455,343.

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital and right-of-use assets, as of June 30, 2025, amounts to \$11,253,222 (net of accumulated depreciation and amortization of \$3,810,714). This investment includes right-of-use asset related to facilities, leasehold improvements, furniture, fixtures and equipment, computer equipment and software.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

**BEACON COLLEGE PREP K-8 CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,723,215	\$ 3,549,866	\$ 3,549,866
Federal sources	657,454	625,329	625,329
Local sources	772,735	1,482,060	1,482,060
Federal lunch program	328,200	376,935	376,935
State capital outlay funding	429,973	469,283	469,283
Other sources	-	16,068	16,068
TOTAL REVENUES	5,911,577	6,519,541	6,519,541
EXPENDITURES			
Current:			
Board	82,100	183,946	183,946
Facilities and acquisition	890,000	884,392	-
Fiscal services	98,319	77,586	77,586
Food services	328,200	376,935	376,935
Instruction	3,321,008	3,046,411	3,046,411
Instructional support services	108,316	125,561	125,561
Maintenance of plant	179,051	135,190	135,190
Operation of plant	855,502	709,516	709,516
Pupil transportation services	-	10,210	10,210
School administration	469,175	520,463	520,463
Technology services	36,000	49,852	49,852
Capital Outlay:			
Capital outlay	-	821,557	821,557
Right-of-use (copiers)	-	126,960	126,960
Debt Service			
Interest expense	-	-	843,905
Redemption of principal	-	33,265	73,752
TOTAL EXPENDITURES	6,367,671	7,101,844	7,101,844
 Excess of expenditures over revenues	 (456,094)	 (582,303)	 (582,303)
 OTHER FINANCING SOURCES			
Increase in right-of-use liability	-	126,960	126,960
Total other financing sources	-	126,960	126,960
 Net Change in Fund Balance	 <u>\$ (456,094)</u>	 <u>\$ (455,343)</u>	 <u>\$ (455,343)</u>

The School's facility lease expenses were budgeted in facilities and acquisition, but are reported under debt service due to GASB No. 87, Leases.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Carlos Gonzalez at Beacon College Prep K-8 Center.

BEACON COLLEGE PREP K-8 CENTER
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 832,674
Due from governmental agencies	847,739
Total current assets	<u>1,680,413</u>
Capital assets - net	824,286
Right-of-use asset, net	10,428,936
Deposits	<u>12,223</u>
 TOTAL ASSETS	 <u><u>\$ 12,945,858</u></u>
 LIABILITIES AND NET POSITION	
Current liabilities:	
Accounts payable	\$ 4,433
Accrued expenses	8,736
Salaries, benefits and payroll taxes payable	317,685
Due to related party	113,553
Right-of-use liability, current portion	<u>67,665</u>
Total current liabilities	512,072
Right-of-use liability, net of current portion	<u>11,971,311</u>
Total Liabilities	<u>12,483,383</u>
Net position:	
Net investment in capital and right-of use assets	(785,754)
Restricted	33,863
Unrestricted	<u>1,214,366</u>
Total Net Position	<u>462,475</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 12,945,858</u></u>

**BEACON COLLEGE PREP K-8 CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Board	\$ 183,946	\$ -	\$ -	\$ -	\$ (183,946)
Fiscal services	77,586	-	-	-	(77,586)
Food services	376,935	-	376,935	-	-
Instruction	3,160,947	-	558,234	-	(2,602,713)
Instructional support services	125,561	-	58,978	-	(66,583)
Interest expense	321	-	-	-	(321)
Interest expense – leases	843,584	-	-	469,283	(374,301)
Maintenance of plant	135,190	-	64,673	-	(70,517)
Operation of plant	709,516	-	-	-	(709,516)
Pupil transportation services	10,210	-	-	-	(10,210)
School administration	780,343	-	250	-	(780,093)
Technology services	49,852	-	-	-	(49,852)
Lease amortization expenses - facilities	434,700	-	-	-	(434,700)
Total Governmental Activities	<u>\$ 6,888,691</u>	<u>\$ -</u>	<u>\$ 1,059,070</u>	<u>\$ 469,283</u>	<u>\$ (5,360,338)</u>
GENERAL REVENUES:					
Government grants not restricted to specific programs					\$ 3,549,866
Local sources					1,425,254
Fundraising and other revenue					16,068
Total General Revenues					<u>4,991,188</u>
Change in Net Position					(369,150)
NET POSITION - BEGINNING					<u>831,625</u>
NET POSITION - ENDING					<u>\$ 462,475</u>

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

**BEACON COLLEGE PREP K-8 CENTER
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Governmental Fund
ASSETS				
Cash	\$ 832,674	\$ -	\$ -	\$ 832,674
Due from governmental agency	780,678	47,073	19,988	847,739
Due from other fund	67,061	-	-	67,061
Deposits	12,223	-	-	12,223
TOTAL ASSETS	<u><u>\$ 1,692,636</u></u>	<u><u>\$ 47,073</u></u>	<u><u>\$ 19,988</u></u>	<u><u>\$ 1,759,697</u></u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 4,433	\$ -	\$ -	\$ 4,433
Accrued expenses	8,736	-	-	8,736
Salaries, benefits and payroll taxes payable	317,685	-	-	317,685
Due to related party	113,553	-	-	113,553
Due to other fund	-	47,073	19,988	67,061
Total liabilities	<u>444,407</u>	<u>47,073</u>	<u>19,988</u>	<u>511,468</u>
Fund Balance				
Non-spendable	12,223	-	-	12,223
Restricted	33,863	-	-	33,863
Unassigned	1,202,143	-	-	1,202,143
Total Fund Balance	<u>1,248,229</u>	<u>-</u>	<u>-</u>	<u>1,248,229</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,692,636</u></u>	<u><u>\$ 47,073</u></u>	<u><u>\$ 19,988</u></u>	<u><u>\$ 1,759,697</u></u>

**BEACON COLLEGE PREP K-8 CENTER
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds	\$	1,248,229
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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 in the fund.	Capital assets Accumulated depreciation	2,874,031 (2,049,745)
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Right-to-use asset and liability used in governmental activities are not financial resources or obligations and therefore are not reported.	Right-of-use asset Right-of-use liability	10,428,936 (12,038,976)
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Total Net Position - Governmental Activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">462,475</div>
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BEACON COLLEGE PREP K-8 CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
REVENUES				
State passed through local	\$ 3,549,866	\$ -	\$ -	\$ 3,549,866
Federal sources	-	625,329	-	625,329
Local sources	1,425,254	56,806	-	1,482,060
Federal lunch program	-	376,935	-	376,935
Capital outlay	-	-	469,283	469,283
Fundraising and other revenues	16,068	-	-	16,068
TOTAL REVENUES	4,991,188	1,059,070	469,283	6,519,541
EXPENDITURES				
Current:				
Board	183,946	-	-	183,946
Fiscal services	77,586	-	-	77,586
Food services	-	376,935	-	376,935
Instruction	2,488,177	558,234	-	3,046,411
Instructional support services	66,583	58,978	-	125,561
Maintenance of plant	135,190	-	-	135,190
Operation of plant	709,516	-	-	709,516
Pupil transportation services	10,210	-	-	10,210
School administration	520,213	250	-	520,463
Technology services	49,852	-	-	49,852
Capital Outlay:				
Other capital outlay	756,884	64,673	-	821,557
Right-of-use (copiers)	126,960	-	-	126,960
Debt Service:				
Interest expense	415,109	-	428,796	843,905
Redemption of principal	33,265	-	40,487	73,752
TOTAL EXPENDITURES	5,573,491	1,059,070	469,283	7,101,844
Excess of expenditures over revenues	(582,303)	-	-	(582,303)
OTHER FINANCING SOURCES				
Increase in right-of-use liability	126,960	-	-	126,960
Total other financing sources	126,960	-	-	126,960
Net change in fund balance	(455,343)	-	-	(455,343)
Fund balance at beginning of year	1,703,572	-	-	1,703,572
Fund balance at end of year	\$ 1,248,229	\$ -	\$ -	\$ 1,248,229

BEACON COLLEGE PREP K-8 CENTER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Change in Fund Balance - Governmental Funds	\$ (455,343)
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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 outlay	821,557
		Depreciation expense	(352,249)

In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.		Amortization expense	(456,867)
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The proceeds from loans and right-to-use liability provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		Redemption of principal	73,752
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ (369,150)</div>
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BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Beacon College Prep K-8 Center (the “School”), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “School Board”). The School’s charter is held by Beacon College Prep, Inc. (“Corporate”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors of Corporate, which is comprised of five members.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of Corporate as of June 30, 2025, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District of School Board of Miami-Dade County, Florida. Previously, the School operated under the charters of Beacon College Prep Elementary School and Beacon College Prep Middle School (collectively, the “Schools”). Commencing on July 1, 2023, the School Board approved a consolidation between the Schools into a single school and charter contract under the new school name of Beacon College Prep K-8. The Charter School Contract Consolidation was approved for a fifteen-year commencing on July 1, 2023 and ending on June 30, 2038. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2025 when 424 students were enrolled in kindergarten through eighth grade.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

Government-wide Financial Statements (Continued)

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

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net position resulting from the current year's activities.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The School reports the following major governmental funds as separate columns in the fund financial statements:

General Fund – This is the School's primary operating fund. It is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Special Revenue Fund – This fund is used to account for federal grants, federal lunch program, COVID-19 emergency relief funding, and certain state grants that are legally restricted to expenditures for particular purposes other than debt service and capital projects.

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

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applies. The government-wide statements report using the economic resources measurement focus and the full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within sixty days or soon enough thereafter to pay current liabilities.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis Accounting

An operating budget is adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is presented using the same basis of accounting that is used in the preparation of the basic financial statements.

Cash and Cash Equivalents

The School considers cash on hand and demand deposits, with original maturities of three months or less, to be cash and cash equivalents.

Prepaid Items

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

Revenue Recognition

Revenues for operations are substantially all received from the School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent ("FTE") students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent ("FTE") students and related data to the Florida Department of Education ("FLDOE") for funding through the Florida Education Finance Program (the "FEFP"). Funding for the School is adjusted during the year to reflect the revised calculations by the FLDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School is eligible to receive an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal and state awards for the enhancement of various educational programs. Federal and state awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Local Sources

Local sources are from a Secure Our Future Referendum on ad valorem taxes. Miami Dade County voters approved two referendums: in 2018 and in 2022. Funding from the referendum will be used to increase teacher compensation and improve school safety and security.

Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalizes tangible personal property with a cost of \$500 and useful life of over one year. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Internally constructed or donated property and equipment are recorded if the item cost, or has a fair market value of, \$100 or more. Donated properties are valued at the estimated fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. For leasehold improvements made under related party lease that is reasonably assured of being renewed for multiple periods, depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Leasehold improvements	5 Years
Computer equipment and software	3 Years
Textbooks	3 Years

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for eighty hours (ten days) of paid time off at the start of each school year. Full-time employees who start mid-year (after December) will receive forty hours (five days) upon hire. In the event an employee does not use their paid time off prior to the end of the school year on June 15, the employee will be paid \$150 per unused paid time off day (eight hours) up to a maximum of ten days. This amount will be paid in the second pay period of June.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

GASB Codification Statement No. 101, *Compensated Absences*, establishes a unified model for the recognition and measurement of all types of compensated absences, such as vacation leave, sick leave, and paid time off. This Statement replaces the prior guidance in GASB Statement No. 16 and requires that a liability be recognized as leave is earned, regardless of whether it vests or is contingent on future events, to the extent it is more likely than not to be used for time off in a future reporting period or otherwise paid to the employee. The School determined that the liability for compensated absences, as required under GASBS No. 101, *Compensated Absences*, is included within the "Salaries, benefits and payroll taxes payable" line item.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Fund Net Position

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

Net investment in capital and right-of-use assets – Represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-to-use asset net of the right-to-use liability. For the year ending June 30, 2025, the net investment in capital and right-to-use assets was (\$785,754).

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. As of June 30, 2025, the School's restricted net position was \$33,863.

Unrestricted – Indicates all other net position that is available to fund future operations.

Governmental Fund Balance

The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies deposits as non-spendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year. At June 30, 2025, the School had \$12,223 in non-spendable fund balance.

Restricted – Includes amounts that can be spent only for specific purposes as stipulated by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation. At June 30, 2025, the School had \$33,863 in restricted fund balance.

Committed – Includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action. At June 30, 2025, there is no committed fund balance.

Assigned – Includes amounts intended to be used by the School's management or Board of Directors for specific purposes but do not meet the criteria to be classified as either restricted or committed. At June 30, 2025, there is no assigned fund balance.

Unassigned – Includes all spendable amounts within the School's general fund not contained in the other classifications.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order of Fund Balance Spending Policy

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and, lastly, unassigned funds. As of June 30, 2025, there are no minimum fund balance requirements for any of the School's funds.

Income Taxes

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

Leases

The School leases property and equipment under various non-cancelable leases. Leases are recorded in accordance with GASB Statement No. 87, Leases (GASB 87). Leases with terms of 12 months or less at commencement, are expensed based on the provisions of the lease contract. For all other leases, the School recognizes a lease liability and an intangible right-of-use ("ROU") lease asset. At lease commencement, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The ROU asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the ROU asset is depreciated on a straight line basis over the shorter of the lease term or the useful life of the underlying asset. The School generally uses its incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. The lease term includes the noncancelable period of the lease plus any additional periods covered by any options to extend or terminate which are reasonably certain to be exercised.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

GASBS No. 102, Certain Risk Disclosures, is effective for fiscal years beginning after June 15, 2024. GASBS No. 102 establishes new disclosure requirements for concentrations and constraints, including risks related to capital assets, when it is at least reasonably possible that such concentrations or constraints could affect a government's ability to continue providing services at current levels or to meet obligations as they become due. The School will implement GASBS No. 102 on July 1, 2025 and does not expect its adoption to result in any material changes to the basic financial statements.

GASBS No. 103, Financial Reporting Model Improvements is effective for fiscal years beginning after June 15, 2025. GASBS No. 103 amends the Financial Reporting Model by refining MD&A requirements, redefining the presentation of unusual or infrequent items, revising proprietary fund reporting, enhancing disclosure of major component units, and relocating budgetary comparison information to Required Supplementary Information with expanded variance analysis. The School will implement GASBS No. 103 on July 1, 2025 and does not expect its adoption to result in any material changes to the basic financial statements.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management's Review

Subsequent events were evaluated through September 15, 2025, the date in which the financial statements were available to be issued.

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSETS

Capital Assets

The following schedule provides a summary of changes in capital assets for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital assets				
Leasehold improvements	\$ 230,122	\$ 223,128	\$ -	\$ 453,250
Furniture, fixtures & equipment	482,117	246,693	-	728,810
Computer equipment & software	642,230	196,000	-	838,230
Textbooks	698,005	67,219	-	765,224
Construction in progress	-	88,517	-	88,517
Total Capital assets	2,052,474	821,557	-	2,874,031
Less: accumulated depreciation				
Leasehold improvements	(162,556)	(64,091)	-	(226,647)
Furniture, fixtures & equipment	(408,894)	(76,322)	-	(485,216)
Computer equipment & software	(546,894)	(97,300)	-	(644,194)
Textbooks	(579,152)	(114,536)	-	(693,688)
Total accumulated depreciation	(1,697,496)	(352,249)	-	(2,049,745)
Capital assets, net	\$ 354,978	\$ 469,308	\$ -	\$ 824,286

For the year ended June 30, 2025, depreciation expense was \$352,249, of which \$114,536 was allocated to school administration and \$237,713 was allocated to instruction.

Right-of-Use Assets

The following schedule provides a summary of changes in the right-of-use assets for the year ended June 30, 2025 (see to Note 11):

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Right-of-use asset - facilities	\$ 12,062,945	\$ -	\$ -	\$ 12,062,945
Less: accumulated amortization	(1,304,102)	(434,700)	-	(1,738,802)
Right-of-use asset - copiers	-	126,960	-	126,960
Less: accumulated amortization	-	(22,167)	-	(22,167)
	\$ 10,758,843	\$ (329,907)	\$ -	\$ 10,428,936

For the year ended June 30, 2025, total amortization expense amounted to \$456,867 of which \$22,167 was allocated to school administration.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – TRANSACTIONS WITH SERVICE COMPANIES

The School entered into an agreement with Building Hope Services, LLC, (“Building Hope”) to provide human resources, payroll, consulting, and professional services to the School. Building Hope manages the finances and ledger and makes recommendations to the School’s management and independent board of directors, who make the final determinations regarding policies and contracts. In providing services to the School, officers of Building Hope may not serve as members of the Board of Directors of the School. The contract calls for \$340 per employee per year for human resources and payroll services, \$100 per student per month for accounting services and \$100 per student for online registration system. For the year ended June 30, 2025, the School incurred service fees of approximately \$76,200. At June 30, 2025, the School had no balance due to or from Building Hope.

On July 1, 2024, the School entered into an agreement with Bridgerock Education Consulting, LLC, (“Bridgerock”) to provide management, budgeting, compliance and administrative services to the School. The agreement is for a period of 5 years through June 30, 2029 unless terminated by either party. The agreement will automatically renew for additional 1-year periods unless terminated by either party. For the year ended June 30, 2025, the School incurred consulting fees of approximately \$138,000. At June 30, 2025, the School had no balance due to or from Bridgerock.

NOTE 4 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash in major banks. Deposits are insured by the Federal Depositary Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per financial institution, per account classification. As of June 30, 2025, the School’s cash balance in excess of the FDIC insured limit was \$582,674.

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible to pledge, and reporting requirements of the qualified public depositor to the Treasurer is defined by the Statute. Collateral is pooled in a multiple qualified depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2025.

NOTE 5 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liabilities for reimbursement which may arise as the result of these audits are not reflected in these financial statements.

NOTE 6 – DUE FROM GOVERNMENTAL AGENCIES

The amounts due from governmental agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of the following as of June 30, 2025:

Capital outlay fund	\$ 19,988
Tax referendum funding	780,678
National School Lunch Program	47,073
	<u>\$ 847,739</u>

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – RELATED PARTY TRANSACTIONS

For the year ended June 30, 2025, the School made monthly rent payments of approximately \$70,000 to Corporate. As of June 30, 2025, the School had a due to Corporate balance in the amount of \$113,553 in relation to those payments.

In July of 2018, Corporate issued \$11,900,000 of Industrial Development Revenue Bonds to purchase the school facility. Although there is no formal lease agreement between Corporate and the School during the year under audit, the Schools makes monthly rent payments to Corporate in order for Corporate to make the annual debt service payments on the bonded debt.

NOTE 8 – INTER-FUND BALANCES

Inter-fund receivables/payables ("Due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. As of June 30, 2025, interfund balances in governmental funds consist of the following:

	General Fund	Special Revenue Fund	Capital Outlay Fund
Due to General Fund from Special Revenue Fund for:			
Capital outlay fund	\$ 19,988	\$ -	\$ (19,988)
National School Lunch Program	47,073	(47,073)	-
Total due from/(due to) funds	<u>\$ 67,061</u>	<u>\$ (47,073)</u>	<u>\$ (19,988)</u>

NOTE 9 – LOAN PAYABLE

In March 2020, the School took out a long-term loan of \$65,295 for new and upgraded lighting throughout campus facilities. The note payable bears interest at a rate of 6.8% per annum and repayment commenced on April 1, 2020 monthly through April 1, 2025. The note has been paid off as of June 30, 2025. For the year ended June 30, 2025, interest expense related to this note was \$321, which was charged to fiscal services expense classification. The following schedule shows a summary of the changes in this debt for the year ended June 30, 2025:

Balance 6/30/2024	Advances	Repayments	Balance 6/30/2025
<u>\$ 13,685</u>	<u>\$ -</u>	<u>\$ 13,685</u>	<u>\$ -</u>

NOTE 10 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Facilities

As of June 30, 2025, the School has a right-to-use liability of \$11,931,596 for the facilities in accordance with GASB Statement No. 87. The School used an interest rate of 7%, which was based on the incremental borrowing rate of the School to discount the annual lease payments. For the year ended June 30, 2025, the interest expense related to the right-of-use liability was \$836,764.

Annual requirements to amortize the lease liability and related interest are estimated as follows:

Fiscal Year	Principal Payments	Interest Payments	Total
2025–2026	\$ 45,686	\$ 833,764	\$ 879,450
2026–2027	55,882	830,243	886,125
2027–2028	60,928	826,172	887,100
2028–2029	60,995	821,905	882,900
2029–2030	107,539	816,161	923,700
2030–2035	948,134	3,906,841	4,854,975
2035–2040	1,357,427	3,509,823	4,867,250
2040–2049	9,295,005	4,515,769	13,810,774
	<u>\$ 11,931,596</u>	<u>\$ 16,060,678</u>	<u>\$ 27,992,274</u>

Copiers

On August 5, 2025, the School entered into a 63-month lease agreement for copiers, requiring monthly payments of \$2,400. As a result, the School recorded right-to-use liability of \$126,960 in accordance with GASB Statement No. 87. The School used an interest rate of 7% based on the average incremental borrowing rate of the School to discount the annual lease payments. As of June 30, 2025, the School has a right-to-use liability of \$107,380 for the copier in accordance with GASB Statement No. 87.

The lease payments include a fixed base charge that provides for a specified number of copies. If actual usage exceeds the monthly allowance, the School is required to pay additional charges based on the excess copies. These variable payments are not included in the measurement of the lease liability and right-of-use asset, as they are dependent on future usage. Such charges are recognized as lease expenses in the period incurred.

Annual requirements to amortize the lease liability and related interest are estimated as follows:

Fiscal Year	Principal Payments	Interest Payments	Total
2025–2026	\$ 21,979	\$ 6,820	\$ 28,799
2026–2027	23,568	5,231	28,799
2027–2028	25,272	3,528	28,800
2028–2029	27,099	1,701	28,800
2029–2030	9,462	139	9,601
	<u>\$ 107,380</u>	<u>\$ 17,419</u>	<u>\$ 124,799</u>

**BEACON COLLEGE PREP K-8 CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following schedule provides a summary of changes in the right-of-use liabilities for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Decreases	Balance 6/30/2025
Right-of-use liability - facilities	\$ 11,972,082	\$ -	\$ (40,486)	\$ 11,931,596
Right-of-use liability - copiers	-	126,960	(19,580)	107,380
Total	<u>\$ 11,972,082</u>	<u>\$ 126,960</u>	<u>\$ (60,066)</u>	<u>\$ 12,038,976</u>

For the year ended June 30, 2025, the interest expense related to the right-of-use liabilities totaled \$843,584, as shown below:

Right-of-use liability - facilities	\$ 836,764
Right-of-use liability - copiers	6,820
Total Interest expense - leases	<u>\$ 843,584</u>

NOTE 12 –CONCENTRATIONS

The School receives approximately 54% of its funding from the School Board under the FEFP, which is based in part on a computation of the number of FTE students. Additionally, the School receives grant funds from various federal, state and local agencies. The FTE data submitted by the School and various grant programs are subject to audits by agents of the granting authority. The purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these special-purpose financial statements.

The School receives approximately 22% of its funding from Secure Our Future Referendum on ad valorem taxes.

REQUIRED SUPPLEMENTARY INFORMATION

BEACON COLLEGE PREP K-8 CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,723,215	\$ 3,549,866	\$ 3,549,866
Local sources	772,735	1,425,254	1,425,254
Fundraising and other revenues	-	16,068	16,068
TOTAL REVENUES	4,495,950	4,991,188	4,991,188
EXPENDITURES			
Current:			
Board	82,100	183,946	183,946
Facilities	460,027	415,109	-
Fiscal Services	98,319	77,586	77,586
Instruction	2,663,554	2,488,177	2,488,177
Instructional and Curriculum Development Services	108,316	66,583	66,583
Maintenance of Plant	179,051	135,190	135,190
Operation of Plant	855,502	709,516	709,516
Pupil transportation services	-	10,210	10,210
School administration	469,175	520,213	520,213
Technology services	36,000	49,852	49,852
Capital Outlay:			
Other capital outlay	-	756,884	756,884
Right-of-use (copiers)	-	126,960	126,960
Debt Service			
Interest expense	-	-	415,109
Redemption of principal	-	33,265	33,265
TOTAL EXPENDITURES	4,952,044	5,573,491	5,573,491
Excess of expenditures over revenues	(456,094)	(582,303)	(582,303)
OTHER FINANCING SOURCES			
Increase in right-of-use liability	-	126,960	126,960
Total other financing sources	-	126,960	126,960
NET CHANGE IN FUND BALANCE	\$ (456,094)	\$ (455,343)	\$ (455,343)

BEACON COLLEGE PREP K-8 CENTER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Local sources	\$ -	\$ 56,806	\$ 56,806
Federal sources	657,454	625,329	625,329
Federal lunch program	328,200	376,935	376,935
TOTAL REVENUES	<u>985,654</u>	<u>1,059,070</u>	<u>1,059,070</u>
EXPENDITURES			
Current:			
Instruction	657,454	558,234	558,234
Instructional and Curriculum Development Services	-	58,978	58,978
School Administration	-	250	250
Food Services	328,200	376,935	376,935
Capital Outlay			
Other capital outlay	-	64,673	64,673
TOTAL EXPENDITURES	<u>985,654</u>	<u>1,059,070</u>	<u>1,059,070</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**BEACON COLLEGE PREP K-8 CENTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2025 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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



DAVID D. SHARFF, C.P.A. - DECEASED
STEVEN C. WITTMER, C.P.A. - DECEASED
JOSEPH M. KURTZ, C.P.A. - RETIRED
MICHAEL L. JACKSON, C.P.A. - RETIRED
MARTIN ROSEN, C.P.A. - RETIRED

LUIS E. DIAZ, C.P.A.
JOSEPH M. JACKSON, C.P.A.
AMY K. BEENKEN, C.P.A.
LAURA S. FEINBERG, C.P.A.

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

To the Board of Directors
Beacon College Prep K-8 Center
Opa Locka, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Beacon College Prep K-8 Center ("the School"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Board of Directors
Beacon College Prep K-8 Center

Purpose of this Report

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

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 15, 2025



CERTIFIED PUBLIC ACCOUNTANTS



SHARFF, WITTMER, KURTZ,
JACKSON & DIAZ
P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

To the Board of Directors
Beacon College Prep K-8 Center
Opa Locka, Florida

Report on the Financial Statements

We have audited the financial statements of Beacon College Prep K-8 Center (the "School"), a component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 15, 2025.

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 and Chapter 10.850, Rules of the Auditor General.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 15, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education is Beacon College Prep K-8 Center, 136034.

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.

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

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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



SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
September 15, 2025

