

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
JUNE 30, 2016

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2016

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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, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2016, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Opinions

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, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 8, 2016, 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 to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 8, 2016

**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, 2016, 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 8, 2016.

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.

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

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.

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 the following instance of noncompliance that is 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 8, 2016

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

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, 2016 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 9 through 25.

FINANCIAL HIGHLIGHTS

- As of June 30, 2016, the Academy's governmental funds reported combined ending fund balances of \$1,082,361, an increase of \$65,848 in comparison with prior year.
- At June 30, 2016, unassigned balance for the general fund was \$941,954, the restricted balance for the general fund was \$140,000, and the assigned balance for the capital fund was \$407.

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, instructional media services, instructional staff training, school administration, facilities acquisition and construction, fiscal services, food services, central services, pupil transportation services, operation of plant, maintenance of plant, interest on long-term debt, and financing costs.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(Continued)

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

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 11 and 13 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 16 through 25 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
JUNE 30, 2016
(Continued)

	<u>2016</u>	<u>2015</u>
Total assets, excluding capital assets	\$ 1,094,118	\$ 1,028,878
Capital assets	<u>2,110,158</u>	<u>2,183,914</u>
Total assets	<u>\$ 3,204,276</u>	<u>\$ 3,212,792</u>
Total liabilities, excluding long-term liabilities	\$ 4,225	\$ 3,006
Long-term liabilities	<u>620,851</u>	<u>776,484</u>
Total liabilities	<u>625,076</u>	<u>779,490</u>
Net investment in capital assets	1,489,307	1,407,430
Unrestricted net position	949,893	885,872
Restricted net position	<u>140,000</u>	<u>140,000</u>
Total net position	<u>2,579,200</u>	<u>2,433,302</u>
Total liabilities and net position	<u>\$ 3,204,276</u>	<u>\$ 3,212,792</u>
Program revenues:		
District	\$ 210,687	\$ 179,124
State	78,430	70,546
Internal	55,855	55,422
General revenues:		
District	1,700,313	1,619,546
Other	<u>193</u>	<u>6,252</u>
Total revenues	<u>2,045,478</u>	<u>1,930,890</u>
Program expenses:		
Instruction	857,714	723,457
Health services	1,454	1,249
School administration	248,089	257,795
Facilities acquisition and construction	4,305	5,080
Fiscal services	13,500	13,500
Food services	179,433	159,567
Central services	90,707	88,505
Pupil transportation services	207,081	194,054
Operation of plant	187,497	173,966
Maintenance of plant	71,601	67,559
Interest on long-term debt	35,815	42,762
Financing costs	<u>2,384</u>	<u>1,827</u>
Total expenses	<u>1,899,580</u>	<u>1,729,558</u>
Change in net position	<u>\$ 145,898</u>	<u>\$ 201,332</u>

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(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, 2016, the Academy's governmental funds reported combined ending fund balances of \$1,082,361.

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 revenue, instruction expenditures, food service expenditures, operation of plant expenditures, and capital outlay expenditures. The most significant budgetary amendment for the Capital Projects Fund was to increase the budget for revenue and debt service expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets - The Academy's investment in capital assets for its governmental activities as of June 30, 2016, amounted to \$2,110,158 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, furniture, fixtures and equipment, property under capital lease, vehicles, and computer software.

Debt - The Academy's long-term debt consists of \$620,851 due under notes payable and capital lease obligations. These amounts are 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, 2016

ASSETS

	Governmental Activities
Assets:	
Cash - unrestricted	\$ 946,586
Cash - restricted	140,000
Prepaid financing costs	7,532
Capital assets, net of accumulated depreciation of \$709,141	2,110,158
Total Assets	\$ 3,204,276

LIABILITIES AND NET POSITION

Liabilities:	
Accounts payable	\$ 4,079
Accrued liabilities	146
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	183,681
Capital lease	3,758
Portion due or payable after one year:	
Notes payable	417,435
Capital lease	15,977
Total liabilities	625,076
Net Position:	
Net investment in capital assets	1,489,307
Unrestricted	949,893
Restricted	140,000
Total net position	2,579,200
Total Liabilities and Net Position	\$ 3,204,276

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 ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Charges for Services	
Functions:				
Governmental activities:				
Instruction	\$ 855,515	\$ 115,519	\$ -	\$ (739,996)
Health services	1,454	-	-	(1,454)
Instructional media services	1,959	-	-	(1,959)
Instructional staff training	240	-	-	(240)
School administration	248,089	-	-	(248,089)
Facilities acquisition and construction	4,305	-	-	(4,305)
Fiscal services	13,500	-	-	(13,500)
Food services	179,433	78,430	55,855	(45,148)
Central services	90,707	-	-	(90,707)
Pupil transportation services	207,081	95,168	-	(111,913)
Operation of plant	187,497	-	-	(187,497)
Maintenance of plant	71,601	-	-	(71,601)
Interest on long-term debt	35,815	-	-	(35,815)
Financing costs	2,384	-	-	(2,384)
	<u>\$ 1,899,580</u>	<u>\$ 289,117</u>	<u>\$ 55,855</u>	<u>(1,554,608)</u>
Total governmental activities	<u>\$ 1,899,580</u>	<u>\$ 289,117</u>	<u>\$ 55,855</u>	<u>(1,554,608)</u>
General revenues:				
State aid -				
				1,595,648
				104,665
				193
				1,700,506
				145,898
				2,433,302
				\$ 2,579,200

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, 2016

ASSETS

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets:			
Cash - unrestricted	\$ 946,179	\$ 407	\$ 946,586
Cash - restricted	140,000	-	140,000
Total Assets	\$ 1,086,179	\$ 407	\$ 1,086,586

LIABILITIES AND FUND BALANCES

Liabilities:			
Accounts payable	\$ 4,079	\$ -	\$ 4,079
Accrued liabilities	146	-	146
Total liabilities	4,225	-	4,225
Fund Balances:			
Unrestricted:			
Unassigned	941,954	-	941,954
Assigned	-	407	407
Restricted	140,000	-	140,000
Total fund balances	1,081,954	407	1,082,361
Total Liabilities and Fund Balances	\$ 1,086,179	\$ 407	\$ 1,086,586

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, 2016

Total Fund Balances - Governmental Funds \$ 1,082,361

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

Prepaid financing costs in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. 7,532

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 \$2,819,299 and the accumulated depreciation is \$709,141. 2,110,158

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (620,851)

Total Net Position - Governmental Activities \$ 2,579,200

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, 2016

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Intergovernmental	\$ 1,806,335	\$ 104,665	\$ 1,911,000
Student meals	134,285	-	134,285
Other	193	-	193
	<u>1,940,813</u>	<u>104,665</u>	<u>2,045,478</u>
Expenditures:			
Current - Education:			
Instruction	852,921	-	852,921
Health services	1,454	-	1,454
Instructional media services	1,959	-	1,959
Instructional staff training	240	-	240
School administration	247,418	-	247,418
Fiscal services	13,500	-	13,500
Food services	175,344	-	175,344
Central services	90,707	-	90,707
Pupil transportation services	152,008	-	152,008
Operation of plant	148,143	-	148,143
Maintenance of plant	71,601	-	71,601
Capital Outlay:			
Instruction	555	-	555
Facilities acquisition and construction	21,435	-	21,435
Food services	5,842	-	5,842
Operation of plant	5,055	-	5,055
Debt Service:			
Principal	72,169	104,899	177,068
Interest	35,434	381	35,815
	<u>1,895,785</u>	<u>105,280</u>	<u>2,001,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,028</u>	<u>(615)</u>	<u>44,413</u>
Other Financing Sources:			
Proceeds from capital leases	<u>21,435</u>	<u>-</u>	<u>21,435</u>
Net Change in Fund Balances	66,463	(615)	65,848
Fund Balances at July 1, 2015	<u>1,015,491</u>	<u>1,022</u>	<u>1,016,513</u>
Fund Balances at June 30, 2016	<u>\$ 1,081,954</u>	<u>\$ 407</u>	<u>\$ 1,082,361</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
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Net Change In Fund Balances - Governmental Funds	\$	65,848
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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 (\$106,643) exceeds capital outlays (\$32,887) in the period.		(73,756)
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Alarm system and telephone upgrades were acquired through capital lease obligations during the year. The amount financed is reported in the governmental funds within other financing sources, but the amount financed increases long-term liabilities in the statement of net position.		(21,435)
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Amortization of financing costs is expensed in governmental funds, but reduces prepaid assets in the statement of net position.		(1,827)
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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.		177,068
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Change in Net Position - Governmental Activities	\$	145,898
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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
JUNE 30, 2016**

	<u>Agency Fund</u>
Assets:	
Cash	\$ 38,876
	<u> </u>
Liabilities:	
Due to student groups	\$ 38,876
	<u> </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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

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.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Financial Statement Presentation (Continued):

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.

FIDUCIARY FUND

Agency Fund - The Agency 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 agency relationship with the student activity organizations.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Prepaid Financing Costs:

Prepaid financing costs consist of amounts paid to an agent to assist the Academy in procuring financing needed for the construction of the new school facility. The financing costs are being amortized over the 15-year life of the post-construction loan which was obtained in connection with these services.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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
Property under capital lease	4-10 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
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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. 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 \$1,125,462 (including \$38,876 in agency funds), and the bank balance was \$1,143,722, 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.

As of June 30, 2016, the Academy had cash and the related fund balance of \$140,000 restricted for debt service as required under a loan agreement.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - CAPITAL ASSETS

Changes in capital assets were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Land	\$ 428,690	\$ -	\$ -	\$ 428,690
Improvements other than buildings	24,631	-	-	24,631
Buildings	1,611,777	-	-	1,611,777
Furniture, fixtures and equipment	145,481	11,452	-	156,933
Property under capital lease	7,400	21,435	-	28,835
Vehicles	550,734	-	-	550,734
Computer software	17,699	-	-	17,699
Totals at historical cost	<u>2,786,412</u>	<u>32,887</u>	<u>-</u>	<u>2,819,299</u>
Less accumulated depreciation:				
Improvements other than buildings	17,761	2,695	-	20,456
Buildings	355,490	34,840	-	390,330
Furniture, fixtures and equipment	108,849	10,379	-	119,228
Property under capital lease	6,321	55,073	-	61,394
Vehicles	96,378	3,656	-	100,034
Computer software	17,699	-	-	17,699
Total accumulated depreciation	<u>602,498</u>	<u>106,643</u>	<u>-</u>	<u>709,141</u>
Capital assets, net	<u>\$ 2,183,914</u>	<u>\$ (73,756)</u>	<u>\$ -</u>	<u>\$ 2,110,158</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 2,594
School administration	671
Facilities acquisition and construction	4,305
Food services	4,089
Pupil transportation services	55,073
Operation of plant	<u>39,911</u>
Total depreciation expense	<u>\$ 106,643</u>

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - LONG-TERM LIABILITIES

Changes in long-term liabilities were as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due Within One Year
Notes payable	\$ 775,235	\$ -	\$ 174,119	\$ 601,116	\$ 183,681
Capital lease obligation	1,249	21,435	2,949	19,735	3,758
Total	\$ 776,484	\$ 21,435	\$ 177,068	\$ 620,851	\$ 187,439

The terms of the Academy's mortgage loan agreement state that the mortgage matures in August 2020, is subject to the Wall Street Journal prime interest rate plus 1%, is secured by the building, and is 90% guaranteed by the United States Department of Agriculture. The loan agreement contains various covenants pertaining to a minimum current ratio, a maximum debt-to-equity ratio, the maintenance of minimum equity, the maintenance of a reserve account and various other legal and administrative matters. At June 30, 2016, the balance outstanding under the loan agreement was \$498,324.

The Academy also has a note payable to a financial institution that matures in June 2020, is secured by a mobile home, is subject to interest at 7.7%, and has monthly payments of \$519 (including principal and interest). The balance outstanding under this loan agreement was \$21,307 at June 30, 2016.

Additionally, the Academy has a note payable to a financial institution that matures in October 2017, is secured by six buses and all deposits held with the financial institution, is subject to interest at 3.8%, and has monthly payments of \$5,574 (including principal and interest). The balance outstanding under this loan agreement was \$81,485 at June 30, 2016.

The Academy has also entered into a capital lease for a copier. The lease expired in January 2016 and had monthly payments of \$184. The balance outstanding under the capital lease agreement was paid in full during the year ended June 30, 2016.

During the year ended June 30, 2016, the Academy entered into a lease agreement for fire alarm system upgrades. The lease expires in January 2021 and has monthly payments of \$323. The balance outstanding under the capital lease agreement was \$14,826 at June 30, 2016.

Also during the year ended June 30, 2016, the Academy entered into a lease agreement for phone system upgrades. The lease expires in January 2021 and has monthly payments of \$127. The balance outstanding under the capital lease agreement was \$4,909 at June 30, 2016.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - LONG-TERM LIABILITIES (Continued)

Maturities of the notes payable and capital lease obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 187,439	\$ 28,175	\$ 215,614
2018	146,216	19,468	165,684
2019	135,930	12,197	148,127
2020	140,579	4,197	144,776
2021	10,687	46	10,733
	<u>\$ 620,851</u>	<u>\$ 64,083</u>	<u>\$ 684,934</u>

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	\$ 1,806,335	\$ -
Capital outlay	-	104,665
Student meals:		
Florida Department of Agriculture and Consumer Services passed through the State of Florida	78,430	-
Internal	55,855	-
Other revenues	193	-
Total	<u>\$ 1,940,813</u>	<u>\$ 104,665</u>

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 - 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 \$20,284 during the year ended June 30, 2016.

NOTE 7 - RELATED PARTIES

During the year ended June 30, 2016, the spouse of the administrator of the Academy served as the Facility and Transportation Director and bus driver for the school. Amounts paid to the employee during the year for payroll and supplies, equipment, and fuel reimbursement totaled \$60,611.

During the year ended June 30, 2016, 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 \$73,183.

During the year ended June 30, 2016, a son and daughter-in-law of the administrator of the Academy and a son of the former assistant director of the Academy, who still provides services on a contract basis, resided in a mobile home on the campus of the Academy for approximately 7 and 5 months, respectively. No amounts were paid to the parties in return for providing the campus and school building security; however, the Academy paid \$6,228 during the year for principal and interest on the mobile home.

During the year ended June 30, 2016, the daughter of the former assistant director of the Academy, who still provides services on a contract basis, provided services to the Academy. Amounts paid to the employee during the year for payroll totaled \$23,548.

During the year ended June 30, 2016, the son of the current assistant director of the Academy provided services to the Academy. Amounts paid to the employee during the year for payroll totaled \$8,440.

During the year ended June 30, 2016, 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 \$14,467.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Loan Covenants:

See discussion at Note 4.

BEULAH ACADEMY OF SCIENCE, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

Capital Outlay Funding:

As stated in Note 1, the Academy received charter school capital outlay funding. The disbursement of funds received under this program is subject to review and audit by awarding agencies, and these funds are restricted to use for lawful capital outlay 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.

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original Budget	Final Budget		Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 1,682,408	\$ 1,805,720	\$ 1,806,335	\$ 615
Student meals	124,200	132,780	134,285	1,505
Other	-	174	193	19
Total revenues	1,806,608	1,938,674	1,940,813	2,139
Expenditures:				
Current - Education:				
Instruction	805,945	880,659	852,921	27,738
Health services	2,300	1,745	1,454	291
Instructional media services	3,350	2,773	1,959	814
Instructional staff training	2,000	2,000	240	1,760
School administration	247,250	254,909	247,418	7,491
Fiscal services	13,500	13,500	13,500	-
Food services	161,331	175,923	175,344	579
Central services	89,200	96,179	90,707	5,472
Pupil transportation services	149,727	159,232	152,008	7,224
Operation of plant	144,469	155,351	148,143	7,208
Maintenance of plant	70,527	73,249	71,601	1,648
Capital Outlay:				
Instruction	4,000	1,213	555	658
School administration	450	450	-	450
Facilities acquisition and construction	1,200	21,435	21,435	-
Food services	6,300	6,120	5,842	278
Operation of plant	2,000	5,100	5,055	45
Pupil transportation services	-	100	-	100
Debt Service:				
Principal	68,793	72,700	72,169	531
Interest	34,266	35,961	35,434	527
Total expenditures	1,806,608	1,958,599	1,895,785	62,814
Excess (deficiency) of revenues over (under) expenditures	-	(19,925)	45,028	64,953
Other Financing Sources:				
Proceeds from capital leases	-	21,435	21,435	-
Net Change in Fund Balance	-	1,510	66,463	64,953
Fund Balances at July 1, 2015	1,015,491	1,015,491	1,015,491	-
Fund Balances at June 30, 2016	\$ 1,015,491	\$ 1,017,001	\$ 1,081,954	\$ 64,953

**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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Intergovernmental	\$ 102,000	\$ 104,665	\$ 104,665	\$ -
Expenditures:				
Debt Service:				
Principal	102,000	104,949	104,899	50
Interest	-	591	381	210
 Total expenditures	 102,000	 105,540	 105,280	 260
Net Change in Fund Balance	-	(875)	(615)	260
Fund Balances at July 1, 2015	1,022	1,022	1,022	-
Fund Balances at June 30, 2016	<u>\$ 1,022</u>	<u>\$ 147</u>	<u>\$ 407</u>	<u>\$ 260</u>

OTHER REPORTS

**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, 2016. 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 and, accordingly, included examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such procedures as we considered necessary in the circumstances. We believe that our examination provided 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, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.

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.

Saltmarsh Cleaveland & Gund

Pensacola, Florida
August 8, 2016

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, 2016, and have issued our report thereon dated August 8, 2016.

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 Reports

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 8, 2016, 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. Corrective actions have been taken to address findings and 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. The official title of the entity is Beulah Academy of Science, Inc.

Financial Condition

Section 10.854(1)(e)2, Rules of the Auditor General, requires that we report the results of our to determination as to whether or not the Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the 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 its Web site according to the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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 any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Saltmarsh Cleaveland & Bend".

Pensacola, Florida
August 8, 2016