

# Saltmarsh

Saltmarsh, Cleaveland & Gund

*CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS*

**BEULAH ACADEMY OF SCIENCE, INC.**

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

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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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, 2021**

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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, 2021, 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, 2021, 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 budgetary comparison information on pages 5 through 8 and 26 through 27 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 11, 2021, 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 of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Pensacola, Florida  
August 11, 2021

**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, 2021, 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 11, 2021.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Pensacola, Florida  
August 11, 2021

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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, 2021 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, 2021, the Academy's governmental funds reported combined ending fund balances of \$1,587,097, an increase of \$113,968 in comparison with prior year.
- At June 30, 2021, unassigned balance for the general fund was \$1,472,268 assigned balance for the capital fund was \$99,838, and restricted balance for the general fund was \$14,991.

**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, exceptional student education, health services, instructional media services, general support services, school administration, facilities acquisition and construction, fiscal services, food services, central services, pupil transportation services, operation of plant, maintenance of plant, and interest on long-term debt.



**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (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 (UNAUDITED)**  
**JUNE 30, 2021**  
**(Continued)**

	2021	2020
Total assets, excluding capital assets	\$ 1,593,320	\$ 1,474,331
Capital assets	2,222,759	2,197,241
Total assets	\$ 3,816,079	\$ 3,671,572
Total liabilities, excluding long-term liabilities	\$ 6,223	\$ 1,202
Long-term liabilities	487,395	560,067
Total liabilities	493,618	561,269
Net investment in capital assets	1,735,364	1,637,174
Unrestricted net position	1,572,106	1,473,129
Restricted net position	14,991	-
Total net position	3,322,461	3,110,303
Total liabilities and net position	\$ 3,816,079	\$ 3,671,572
Program revenues:		
District	\$ 228,938	\$ 213,111
Federal through state	57,404	54,554
Internal	25,948	30,145
General revenues:		
District	1,867,771	1,843,636
Other	4,708	1,332
Total revenues	2,184,769	2,142,778
Program expenses:		
Instruction	784,698	804,147
Exceptional student education	4,723	4,168
Health services	33,782	37,652
Instructional media services	104	-
General support services	207	-
School administration	257,068	244,464
Facilities acquisition and construction	3,330	3,780
Fiscal services	15,400	14,963
Food services	146,712	176,500
Central services	98,696	100,058
Pupil transportation services	222,469	212,078
Operation of plant	278,154	259,656
Maintenance of plant	101,782	85,329
Interest on long-term debt	25,263	29,531
Total expenses	1,972,388	1,972,326
Change in net position	\$ 212,381	\$ 170,452

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**  
**(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, 2021, the Academy's governmental funds reported combined ending fund balances of \$1,587,097.

**BUDGETARY HIGHLIGHTS**

The Academy made various amendments to the original budgets during the year based on changes in expected funding sources and expenditures. The most significant budgetary amendments for the General Fund were to increase the budget for intergovernmental revenues and maintenance of plant expenditures and operation of plant expenditures and decrease the budget for student meals revenue and instruction expenditures and food service expenditures. The most significant budgetary amendment for the Capital Projects Fund was to increase the budget for revenue and for instruction capital outlay expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital assets* - The Academy's investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$2,222,759 (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 \$487,395 due under notes payable. This amount is payable with future financial resources and are therefore shown as reconciling items from the governmental funds balance sheet to the statement of net position.

**ECONOMIC FACTORS**

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

**REQUEST FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**ASSETS**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash	\$ 1,566,491
Accounts receivable	26,829
Capital assets, net of accumulated depreciation of \$1,293,731	<u>2,222,759</u>
<b>Total Assets</b>	<u><u>\$ 3,816,079</u></u>

**LIABILITIES AND NET POSITION**

<b>Liabilities:</b>	
Accounts payable	\$ 5,401
Accrued liabilities	822
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	73,437
Portion due or payable after one year:	
Notes payable	<u>413,958</u>
Total liabilities	<u>493,618</u>
<b>Net Position:</b>	
Net investment in capital assets	1,735,364
Unrestricted	1,572,106
Restricted	<u>14,991</u>
Total net position	<u>3,322,461</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 3,816,079</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**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Charges for Services	
<b>Functions:</b>				
<b>Governmental activities:</b>				
Instruction	\$ 784,698	\$ 139,431	\$ -	\$ (645,267)
Exceptional student education	4,723	-	-	(4,723)
Health services	33,782	-	-	(33,782)
Instructional media services	104	-	-	(104)
General support services	207	-	-	(207)
School administration	257,068	-	-	(257,068)
Facilities acquisition and construction	3,330	-	-	(3,330)
Fiscal services	15,400	-	-	(15,400)
Food services	146,712	57,404	25,948	(63,360)
Central services	98,696	-	-	(98,696)
Pupil transportation services	222,469	89,507	-	(132,962)
Operation of plant	278,154	-	-	(278,154)
Maintenance of plant	101,782	-	-	(101,782)
Interest on long-term debt	25,263	-	-	(25,263)
	<u>\$ 1,972,388</u>	<u>\$ 286,342</u>	<u>\$ 25,948</u>	<u>(1,660,098)</u>
 <b>General revenues:</b>				
State aid -				
				1,717,610
				150,161
				4,708
				1,872,479
				<b>Change in Net Position</b> 212,381
				<b>Net Position at July 1, 2020</b> 3,110,080
				<b>Net Position at June 30, 2021</b> \$ 3,322,461

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, 2021**

**ASSETS**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash	\$ 1,478,377	\$ 88,114	\$ 1,566,491
Accounts receivable	15,105	11,724	26,829
	<u>1,493,482</u>	<u>99,838</u>	<u>1,593,320</u>
<b>Total Assets</b>	<u>\$ 1,493,482</u>	<u>\$ 99,838</u>	<u>\$ 1,593,320</u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>			
Accounts payable	\$ 5,401	\$ -	\$ 5,401
Accrued liabilities	822	-	822
Total liabilities	<u>6,223</u>	<u>-</u>	<u>6,223</u>
<b>Fund Balances:</b>			
Unrestricted:			
Unassigned	1,472,268	-	1,472,268
Assigned	-	99,838	99,838
Restricted	14,991	-	14,991
Total fund balances	<u>1,487,259</u>	<u>99,838</u>	<u>1,587,097</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,493,482</u>	<u>\$ 99,838</u>	<u>\$ 1,593,320</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 BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

**Total Fund Balances - Governmental Funds** \$ 1,587,097

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$3,516,490 and the accumulated depreciation is \$1,293,731. 2,222,759

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (487,395)

**Total Net Position - Governmental Activities** \$ 3,322,461



**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, 2021**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>			
Intergovernmental	\$ 1,946,548	\$ 150,161	\$ 2,096,709
Student meals	68,361	-	68,361
Student meals - restricted	14,991	-	14,991
Other	4,708	-	4,708
	<hr/>	<hr/>	<hr/>
Total revenues	2,034,608	150,161	2,184,769
<b>Expenditures:</b>			
Current - Education:			
Instruction	783,007	-	783,007
Exceptional student education	4,723	-	4,723
Health services	33,782	-	33,782
Instructional media services	104	-	104
General support services	207	-	207
School administration	254,383	-	254,383
Fiscal services	15,400	-	15,400
Food services	140,020	-	140,020
Central services	98,696	-	98,696
Pupil transportation services	167,396	-	167,396
Operation of plant	214,337	-	214,337
Maintenance of plant	101,782	-	101,782
Capital Outlay:			
Instruction	7,523	45,500	53,023
Facilities acquisition and construction	82,616	-	82,616
Operation of plant	23,167	-	23,167
Debt Service:			
Principal	-	72,895	72,895
Interest	-	25,263	25,263
	<hr/>	<hr/>	<hr/>
Total expenditures	1,927,143	143,658	2,070,801
<b>Net Change in Fund Balances</b>	107,465	6,503	113,968
<b>Fund Balances at July 1, 2020</b>	<hr/> 1,379,794	<hr/> 93,335	<hr/> 1,473,129
<b>Fund Balances at June 30, 2021</b>	<hr/> <hr/> \$ 1,487,259	<hr/> <hr/> \$ 99,838	<hr/> <hr/> \$ 1,587,097

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, 2021**

<b>Net Change In Fund Balances - Governmental Funds</b>	\$	113,968
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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 (\$133,288) exceeds capital outlays (\$158,806) in the period.		25,518
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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.		<u>72,895</u>
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<b>Change in Net Position - Governmental Activities</b>	\$	<u><u>212,381</u></u>
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**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2021**

	<u>Agency Fund</u>
<b>Assets:</b>	
Cash	<u>\$ 40,148</u>
<b>Liabilities:</b>	
Due to student groups	<u>\$ 40,148</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, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*The Reporting Entity:*

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

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

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

*Government-wide and Fund Financial Statements:*

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

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

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Financial Statement Presentation:*

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

**FUND FINANCIAL STATEMENTS (FFS) - GOVERNMENTAL FUNDS**

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

**GOVERNMENTAL FUNDS**

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

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

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Financial Statement Presentation (Continued):*

**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.

*Restricted and Unrestricted Resources:*

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

*Assigned Fund Balance:*

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

*Restricted Net Position/Fund Balance:*

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

*Use of Estimates:*

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

*Income Taxes:*

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

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Revenue Sources (Continued):*

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

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

*Budgetary Data:*

The Academy utilizes the following procedures in establishing budgetary data:

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

**NOTE 2 - CASH**

At year end, the carrying amount of the Academy's deposits was \$1,606,639 (including \$40,148 in agency funds), and the bank balance was \$1,625,051, all of which was held by a qualified public depository under Chapter 280, Florida Statutes. As such, these deposits are considered to be fully insured.



**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 - CAPITAL ASSETS**

Changes in capital assets were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Land	\$ 428,690	\$ -	\$ -	\$ 428,690
Improvements other than buildings	181,272	-	-	181,272
Buildings	1,872,235	-	-	1,872,235
Furniture, fixtures and equipment	292,137	76,190	-	368,327
Property under capital lease	28,835	-	-	28,835
Vehicles	536,816	-	-	536,816
Computer software	17,699	-	-	17,699
Construction in progress	-	82,616	-	82,616
Totals at historical cost	<u>3,357,684</u>	<u>158,806</u>	<u>-</u>	<u>3,516,490</u>
Less accumulated depreciation:				
Improvements other than buildings	34,768	6,531	-	41,299
Buildings	541,309	36,198	-	577,507
Furniture, fixtures and equipment	181,717	33,775	-	215,492
Property under capital lease	27,125	1,711	-	28,836
Vehicles	357,825	55,073	-	412,898
Computer software	17,699	-	-	17,699
Total accumulated depreciation	<u>1,160,443</u>	<u>133,288</u>	<u>-</u>	<u>1,293,731</u>
Capital assets, net	<u>\$ 2,197,241</u>	<u>\$ 25,518</u>	<u>\$ -</u>	<u>\$ 2,222,759</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,691
School administration	2,685
Facilities acquisition and construction	3,330
Food services	6,692
Pupil transportation services	55,073
Operation of plant	<u>63,817</u>
Total depreciation expense	<u>\$ 133,288</u>

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 - LONG-TERM LIABILITIES**

Changes in long-term liabilities were as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Notes payable	\$ 557,066	\$ -	\$ 69,671	\$ 487,395	\$ 73,437
Capital lease obligations	3,001	-	3,001	-	-
Total	<u>\$ 560,067</u>	<u>\$ -</u>	<u>\$ 72,672</u>	<u>\$ 487,395</u>	<u>\$ 73,437</u>

The terms of the Academy's mortgage loan agreement state that the mortgage matures May 30, 2027, is subject to a fixed interest rate of 4.7%, is secured by the building, and has monthly payments of \$7,898 (including principal and interest). At June 30, 2021, the balance outstanding under the loan agreement was \$487,395.

The Academy's capital leases for their fire alarm and phone system expired in January 2021.

Maturities of the notes payable are as follows:

Year Ending June 30,	Notes Payable		
	Principal	Interest	Total
2022	\$ 73,437	\$ 21,349	\$ 94,786
2023	76,979	17,807	94,786
2024	80,692	14,094	94,786
2025	84,584	10,202	94,786
2026	88,664	6,122	94,786
2027	83,039	1,860	84,899
	<u>\$ 487,395</u>	<u>\$ 71,434</u>	<u>\$ 558,829</u>

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 - SCHEDULE OF REVENUE SOURCES**

The following is a schedule of revenue sources and amounts:

<u>Sources</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>
Escambia County District School Board:		
Florida Education Finance Program	\$ 1,946,548	\$ -
Capital outlay	-	150,161
Student meals:		
U.S. Department of Agriculture passed through the State of Florida Department of Agriculture and Consumer Services	57,404	-
Internal	25,948	-
Other revenues	4,708	-
	<u>          </u>	<u>          </u>
Total	<u>\$ 2,034,608</u>	<u>\$ 150,161</u>

**NOTE 6 - RELATED PARTIES**

During the year ended June 30, 2021, the spouse of the administrator of the Academy served as the Facility and Transportation Director, Board member, and a bus driver for the school. Amounts paid to the employee during the year for payroll and supplies, equipment, and fuel reimbursement totaled \$73,612.

During the year ended June 30, 2021, 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 \$79,860.

During the year ended June 30, 2021, 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 \$14,104.

During the year ended June 30, 2021, a non-voting Board member of the Academy provided services to the Academy as an employee. Amounts paid to the employee during the year for payroll totaled \$38,075.

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 - EMPLOYEE BENEFIT PLAN**

The Academy has adopted a 403(b) thrift retirement plan covering substantially all employees who have completed one year of service with the Academy. The terms of the plan provide that the Academy contributes 3% of the employee's salary each pay period. The Academy's contributions to the plan amounted to \$22,934 during the year ended June 30, 2021.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

*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.

*Construction Commitment:*

In June 2021, the Academy entered into a contract with a vendor to construct a new gym and classrooms for \$1,974,900. Construction is estimated to be completed in March 2022.

*Coronavirus Disease 2019:*

Throughout the year ended June 30, 2021, the Coronavirus Disease 2019 ("COVID-19") pandemic was an ongoing event. The full impact of the COVID-19 outbreak continues to evolve and as such, it is uncertain as to the full magnitude that the pandemic will have on the Academy. Management is actively monitoring its financial condition, liquidity, operations, suppliers, industry, and workforce.

Given the evolution of the COVID-19 outbreak, the Academy is not able to estimate the effects of the outbreak on its results of operations, financial condition, or liquidity.

**BEULAH ACADEMY OF SCIENCE, INC.**  
**A COMPONENT UNIT OF**  
**THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 - SUBSEQUENT EVENTS**

In August 2021, the Academy secured financing to construct the new gym and classrooms and to refinance the existing mortgage loan. The loan is in the amount of \$2,850,000 with a term of 31 years and interest at the Wall Street Journal Prime Rate plus 75 basis points, reset every five years, and with a floor rate of 3.5%.

**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, 2021**  
**(UNAUDITED)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Intergovernmental	\$ 1,881,040	\$ 1,939,026	\$ 1,946,548	\$ 7,522
Student meals	84,179	67,195	68,361	1,166
Student meals - restricted	-	-	14,991	14,991
Other	1,272	4,707	4,708	1
	<u>1,966,491</u>	<u>2,010,928</u>	<u>2,034,608</u>	<u>23,680</u>
<b>Expenditures:</b>				
Current - Education:				
Instruction	884,345	802,802	783,007	19,795
Exceptional student education	10,000	5,000	4,723	277
Health services	39,931	35,266	33,782	1,484
Instructional media services	1,460	1,460	104	1,356
Instructional staff training	280	280	-	280
General support services	-	207	207	-
School administration	256,697	260,222	254,383	5,839
Fiscal services	14,963	15,400	15,400	-
Food services	185,386	152,983	140,020	12,963
Central services	96,800	104,100	98,696	5,404
Pupil transportation services	170,756	175,613	167,396	8,217
Operation of plant	224,468	237,211	214,337	22,874
Maintenance of plant	93,948	110,715	101,782	8,933
Capital Outlay:				
Instruction	-	4,100	7,523	(3,423)
School administration	1,500	-	-	-
Facilities acquisition and construction	-	82,616	82,616	-
Operation of plant	7,500	24,367	23,167	1,200
	<u>1,988,034</u>	<u>2,012,342</u>	<u>1,927,143</u>	<u>85,199</u>
<b>Net Change in Fund Balance</b>	(21,543)	(1,414)	107,465	108,879
<b>Fund Balances at July 1, 2020</b>	<u>1,379,794</u>	<u>1,379,794</u>	<u>1,379,794</u>	<u>-</u>
<b>Fund Balances at June 30, 2021</b>	<u>\$ 1,358,251</u>	<u>\$ 1,378,380</u>	<u>\$ 1,487,259</u>	<u>\$ 108,879</u>

**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, 2021**  
**(UNAUDITED)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 120,000	\$ 149,437	\$ 150,161	\$ 724
<b>Expenditures:</b>				
Capital Outlay:				
Instruction	-	49,500	45,500	4,000
Debt Service:				
Principal	73,059	73,059	72,895	164
Interest	24,876	25,376	25,263	113
 Total expenditures	 97,935	 147,935	 143,658	 4,277
 <b>Net Change in Fund Balance</b>	 22,065	 1,502	 6,503	 5,001
 <b>Fund Balances at July 1, 2020</b>	 93,335	 93,335	 93,335	 -
 <b>Fund Balances at June 30, 2021</b>	 <u>\$ 115,400</u>	 <u>\$ 94,837</u>	 <u>\$ 99,838</u>	 <u>\$ 5,001</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, 2021. The Academy's management is responsible for the Academy's compliance with those requirements. Our responsibility is to express an opinion on the Academy's compliance based on our examination.

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

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

In our opinion, the Academy complied with the aforementioned requirements for the year ended June 30, 2021, in all material respects.

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

*Saltmarsh Cleaveland & Gund*

Pensacola, Florida  
August 11, 2021

## 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, 2021, and have issued our report thereon dated August 11, 2021.

### 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 Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 11, 2021, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

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

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Beulah Academy of Science, Inc. and 172093.

### **Financial Condition and Management**

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

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendation:

The Academy's current capitalization policy allows for capitalization of items less than the stated threshold of \$500 if the bookkeeper determines that the items have a long-term benefit. We recommend that this policy be clarified to define "long-term benefit" in order to increase consistency in the accounting treatment of capital assets.

### **Transparency**

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

### **Additional Matters**

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

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

**Purpose of this Letter**

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



Pensacola, Florida  
August 11, 2021