

PALM BEACH SCHOOL FOR AUTISM, INC.
FINANCIAL STATEMENTS, FEDERAL SINGLE AUDIT AND
INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

PALM BEACH SCHOOL FOR AUTISM, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis.....	3-7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of Governmental Funds to the Statement of Activities.....	13
Notes to the Basic Financial Statements	14-21
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General and Special Revenue Funds (Unaudited).....	22-23
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Outlay Fund (Unaudited)	24
Schedule of Expenditures of Federal Awards.....	25
Notes to Schedule of Expenditures of Federal Awards	26
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	27-28
Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	29-30
Schedule of Findings and Questioned Costs	31-32
Prior Audit Follow-Up	32
Summary Schedule of Prior Audit Findings	32
Management Letter Pursuant to Florida Statutes and Rules of the Florida Auditor General	33-34



1900 NW Corporate Blvd, Suite 110W Boca Raton, FL 33431 Phone (561) 998-7770 Fax (561) 998-7771

To the Board of Directors
Palm Beach School for Autism, Inc.
Lake Worth, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Palm Beach School for Autism, Inc. ("the School"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the School as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 through 7 and pages 22 through 23 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The schedule of revenues, expenditures and changes in fund balance budget and actual - capital outlay fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of revenues, expenditures and changes in fund balance budget and actual - capital outlay fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 22, 2021, on our consideration of the School's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Lanter, Leonardo & DiCrescenzo, LLC

Lanter, Leonardo & DiCrescenzo, LLC

Certified Public Accountants

Boca Raton, Florida

September 22, 2021

PALM BEACH SCHOOL FOR AUTISM, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The Palm Beach School for Autism ("the School") is a public charter school operated in Palm Beach County, Florida, under the sponsorship of the School District of Palm Beach County.

Within this section of Palm Beach School for Autism Inc.'s annual financial report, the School's management provides narrative discussion and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. The School's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

Net position is an indicator of the fiscal health of the School. Assets exceeded its liabilities by \$4,339,295 (net position) for the fiscal year reported. This compared to the previous year when assets exceeded liabilities by \$3,891,369. The net position of the School increased by \$447,926.

Total net position is comprised of the following:

- \$699,374 net investment in capital assets.
- \$3,639,921 in unrestricted funds.

At year-end, the School had current assets on hand of \$3,981,885.

Enrollment continues to increase at the School, with FTE totaling 372 at June 30, 2021. The conservative projected enrollment for the fiscal year 2021-2022 is anticipated to be 400 students.

Overview of the Financial Statements

The Management's Discussion and Analysis introduces the School's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The School also includes in this report additional information to supplement the basic financial statements.

Financial Analysis of School

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as government activities in the government-wide financial statements.

All of the School's revenue is received through private sources and the sponsor. The revenue per student each year is determined by the State of Florida and paid to the School based upon the number of full time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP).

PALM BEACH SCHOOL FOR AUTISM, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Government-Wide Financial Statements

The School's annual report includes two government-wide financial statements. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting. This includes financial statements prepared on a full accrual accounting.

The first of these government-wide statements is the *Statement of Net Position*. This is the School-wide statement of position presenting information that includes all of the School's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the School as a whole is improving or deteriorating. Evaluation of the overall health of the School would extend to other nonfinancial factors such as student education, progress and improvements.

The second government-wide statement is the *Statement of Activities*, which reports how the School's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the School's distinct activities or functions on revenues provided by the school district and other private grants.

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements.

Both government-wide financial statements distinguish governmental activities of the School that are principally supported by intergovernmental revenues, and other grants.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The School uses funds to ensure and demonstrate compliance with finance-related laws and regulation. Within the basic financial statements, fund financial statements focus on the School's most significant funds.

Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with funds statements providing a distinctive view of the School's governmental funds. These are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental funds financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Notes to Financial Statements

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

PALM BEACH SCHOOL FOR AUTISM, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The summary of the School's government-wide statement of net position is as follows:

Condensed Statement of Net Position
Governmental Activities
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and Other Assets	\$ 3,986,834	\$ 3,243,729	\$ 743,105
Capital Assets	<u>699,374</u>	<u>880,438</u>	<u>(181,064)</u>
Total Assets	<u>4,686,208</u>	<u>4,124,167</u>	<u>562,041</u>
Total Liabilities	<u>346,913</u>	<u>232,798</u>	<u>114,115</u>
Net Position	<u>\$ 4,339,295</u>	<u>\$ 3,891,369</u>	<u>\$ 447,926</u>
Net Investment in Capital Assets	\$ 699,374	\$ 880,438	\$ (181,064)
Unrestricted	<u>3,639,921</u>	<u>3,010,931</u>	<u>628,990</u>
Total Net Position	<u>\$ 4,339,295</u>	<u>\$ 3,891,369</u>	<u>\$ 447,926</u>

The assets of the School primarily consist of cash and cash equivalents, prepaid items amounts due from other agencies, deposits and capital assets. Liabilities consist of accounts payable and accrued expenses and salaries and wages payable and amounts due to another entity.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$4,339,295 at June 30, 2021. A portion of the School's net position (16%) reflects its net investment in capital assets. The School uses these capital assets to provide educational services; consequently, these assets are not available for future spending. An additional portion of the School's net position (84%) represents an unrestricted net position that is available to meet the financial obligations of the School. At the end of the current fiscal year, the School is able to report positive balances in total net position.

PALM BEACH SCHOOL FOR AUTISM, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Condensed Statement of Activities
For the years 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Program Revenue:			
Operating Grants and Contributions	\$ 1,202,310	\$ 1,001,870	\$ 200,440
Capital Grants and Contributions	244,852	235,484	9,368
Charges for Services	-	123,780	(123,780)
General Revenue:			
FEFP	9,309,725	9,053,687	256,038
Other State and Local	-	34,517	(34,517)
Private Donations	44,333	144,715	(100,382)
Fundraising	39,258	141,882	(102,624)
Investment Earnings	6,324	13,846	(7,522)
Miscellaneous	<u>10,594</u>	<u>39,191</u>	<u>(28,597)</u>
Total Revenues	<u>10,857,396</u>	<u>10,788,972</u>	<u>68,424</u>
Program Expenses:			
Instruction	7,339,915	7,080,479	259,436
Student Support Services	81,770	8,250	73,520
Instructional and Curriculum Development Services	213,023	477,662	(264,639)
Instructional Staff Training Services	27,436	17,300	10,136
Board	4,870	7,810	(2,940)
School Administration	1,276,217	1,266,616	9,601
Facilities Acquisition and Construction	624	920	(296)
Fiscal Services	67,942	73,239	(5,297)
Transportation	4,279	18,685	(14,406)
Operation of Plant	1,343,337	1,263,180	80,157
Maintenance of Plant	50,057	72,623	(22,566)
Community Services	<u>-</u>	<u>50,206</u>	<u>(50,206)</u>
Total Expenses	<u>10,409,470</u>	<u>10,336,970</u>	<u>72,500</u>
Change in Net Position	447,926	452,002	(4,076)
Net position - Beginning	<u>3,891,369</u>	<u>3,439,367</u>	<u>452,002</u>
Net position - Ending	<u>\$ 4,339,295</u>	<u>\$ 3,891,369</u>	<u>\$ 447,926</u>

The School relies primarily on general revenues (i.e. FEFP dollars) to fund the expenses of the governmental activities. General revenues comprise 87% of total revenues. The School had a positive change in net position of \$447,926. The large concentration of expenses were for instruction related functions (71%), which primarily consisted of teacher salaries and facility related functions, school administration cost (12%) and School's facility lease payments and operation costs (13%).

The School continues to grow as the demands from the community for high quality educational services for individuals with autism spectrum disorder increases. The School educates children with autism from preschool through high school. The primary focus for the high school is to instruct the students on how to be safe, productive and independent adults fully immersed in the community. The School believes in staying on the cutting edge: fully immersed in evidence-based curriculums and vocational training programs so all of the students may reach their full potential. The "Project Next" program, for students 18-22 years old, is a fully operational adult job training program on campus, which supports a broad range of initiatives to help individuals with autism enter or transition to employment through training, job placement, social entrepreneurship and other programs.

PALM BEACH SCHOOL FOR AUTISM, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

FINANCIAL ANALYSIS OF THE MAJOR FUNDS

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

GOVERNMENTAL FUNDS

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

GENERAL FUND

The general fund is the operating fund used to account for all financial resources not required to be accounted for in another fund. It recognized \$9,365,218 in total revenues offset with \$8,736,228 in expenditures. This resulted in an excess of revenues over expenditures of \$628,990. Fund balance at the beginning of the year was \$3,010,931. The beginning balance of \$3,010,931, combined with the current year activity, resulted in an end of year fund balance of \$3,639,921. The fund balance unassigned and available for spending at the School's discretion is \$2,857,162.

CAPITAL OUTLAY FUND

The capital outlay fund recognized \$289,868 in total revenues with offsetting expenditures of \$289,868 related to the capital campaign project.

CAPITAL ASSETS

As of June 30, 2021 and 2020, the School had invested in capital assets, as reflected below.

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Furniture, Fixtures and Equipment	\$ 135,357	\$ 135,357	\$ -
Capital Furniture, Fixtures and Equipment	65,454	65,454	-
School Bus	200,525	200,525	-
Building Improvements	1,187,443	1,187,443	-
Other Leasehold Improvements	<u>58,295</u>	<u>58,295</u>	<u>-</u>
	1,647,074	1,647,074	-
Less: Accumulated depreciation	<u>(947,700)</u>	<u>(766,636)</u>	<u>(181,064)</u>
Capital Assets	<u>\$ 699,374</u>	<u>\$ 880,438</u>	<u>\$ (181,064)</u>

ECONOMIC FACTORS

The following key economic indicator reflects the growth and prosperity of the School:

- The School estimates growth in enrollment to continue at a 5-10 percent increase each year for the next several years and will need continued increases in classroom space, teachers, and equipment.
- Additional grant funding, private donations and fundraising activities.
- The School has completed the expansion of its existing facilities to accommodate the additional enrollment of new high school students and participants in the Project Next program.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. Questions concerning the information found in this report or requests for additional information should be directed to Ann Levene-Eisenberg, Executive Director, Palm Beach School for Autism, Inc., 8480 Lantana Road, Lake Worth, Florida 33467.

PALM BEACH SCHOOL FOR AUTISM, INC.
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<hr/>	
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,778,867
Cash and Cash Equivalents - Capital Campaign	2,584
Due from Other Agency	121,998
Prepaid Items	<u>78,436</u>
Total Current Assets	<u>3,981,885</u>
Non-Current Assets	
Deposits	4,949
Capital Assets (Total cost of \$1,647,074 net of accumulated depreciation of \$947,700)	<u>699,374</u>
Total Non-Current Assets	<u>704,323</u>
Total Assets	<u>\$ 4,686,208</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 37,682
Salaries and Wages Payable	208,852
Due to Corporation - Exit 8480, LLC	<u>100,379</u>
Total Liabilities	<u>346,913</u>
NET POSITION	
Net Investment in Capital Assets	699,374
Unrestricted	<u>3,639,921</u>
Total Net Position	<u>\$ 4,339,295</u>

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

PALM BEACH SCHOOL FOR AUTISM, INC.
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 7,339,915	\$ -	\$ 1,118,341	\$ -	\$ (6,221,574)
Student Support Services	81,770	-	63,050	-	(18,720)
Instruction and Curriculum Development Services	213,023	-	352	-	(212,671)
Instructional Staff Training Services	27,436	-	10,957	-	(16,479)
Board	4,870	-	-	-	(4,870)
School Administration	1,276,217	-	1,171	-	(1,275,046)
Facilities Acquisition and Construction	624	-	-	-	(624)
Fiscal Services	67,942	-	-	-	(67,942)
Transportation	4,279	-	-	-	(4,279)
Operation of Plant	1,343,337	-	8,439	244,852	(1,090,046)
Maintenance of Plant	<u>50,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,057)</u>
Total Government Activities	<u>\$10,409,470</u>	<u>\$ -</u>	<u>\$ 1,202,310</u>	<u>\$ 244,852</u>	<u>\$ (8,962,308)</u>

General Revenues	
FEFP	9,309,725
Private Donations	44,333
Fundraising	39,258
Investment Earnings	6,324
Miscellaneous	<u>10,594</u>
Total General Revenues	<u>9,410,234</u>
Change in Net Position	447,926
Net Position - Beginning	<u>3,891,369</u>
Net Position - Ending	<u>\$ 4,339,295</u>

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

PALM BEACH SCHOOL FOR AUTISM, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Federal Awards Fund	Capital Outlay Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 3,778,867	\$ -	\$ -	\$ 3,778,867
Cash and Cash Equivalents - Capital Campaign	2,584	-	-	2,584
Deposits	4,949	-	-	4,949
Due from Other Agency	-	102,299	19,699	121,998
Due from Other Funds	121,998	-	-	121,998
Prepaid Items	<u>78,436</u>	<u>-</u>	<u>-</u>	<u>78,436</u>
TOTAL ASSETS	<u>\$ 3,986,834</u>	<u>\$ 102,299</u>	<u>\$ 19,699</u>	<u>\$ 4,108,832</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 37,682	\$ -	\$ -	\$ 37,682
Salaries and Wages Payable	208,852	-	-	208,852
Due to Corporation - Exit 8480, LLC	100,379	-	-	100,379
Due to Internal Funds	<u>-</u>	<u>102,299</u>	<u>19,699</u>	<u>121,998</u>
Total Liabilities	<u>346,913</u>	<u>102,299</u>	<u>19,699</u>	<u>468,911</u>
FUND BALANCES				
Nonspendable	83,385	-	-	83,385
Restricted - Capital Outlay	699,374	-	-	699,374
Unassigned	<u>2,857,162</u>	<u>-</u>	<u>-</u>	<u>2,857,162</u>
Total Fund Balances	<u>3,639,921</u>	<u>-</u>	<u>-</u>	<u>3,639,921</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,986,834</u>	<u>\$ 102,299</u>	<u>\$ 19,699</u>	<u>\$ 4,108,832</u>

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

PALM BEACH SCHOOL FOR AUTISM, INC.
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2021

Total Fund Balance - Governmental Fund	\$ 3,639,921
----------------------------------------	--------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 1,647,074	
Less accumulated depreciation	<u>(947,700)</u>	<u>699,374</u>

Net Position of Governmental Activities	<u>\$ 4,339,295</u>
-----------------------------------------	---------------------

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

PALM BEACH SCHOOL FOR AUTISM, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General Fund	Federal Awards Fund	Capital Outlay Fund	Total
REVENUES				
FEFP	\$ 9,264,709	\$ -	\$ 45,016	\$ 9,309,725
Federal Through State and Local	-	1,202,310	-	1,202,310
Capital Outlay Fund	-	-	244,852	244,852
Private Donations	44,333	-	-	44,333
Fundraising Income	39,258	-	-	39,258
Investment Earnings	6,324	-	-	6,324
Miscellaneous	<u>10,594</u>	<u>-</u>	<u>-</u>	<u>10,594</u>
TOTAL REVENUES	<u>9,365,218</u>	<u>1,202,310</u>	<u>289,868</u>	<u>10,857,396</u>
EXPENDITURES				
Instruction	6,058,616	1,118,341	-	7,176,957
Student Support Services	18,720	63,050	-	81,770
Instructional and Curriculum Development Services	212,671	352	-	213,023
Instructional Staff Training Services	16,479	10,957	-	27,436
Board	4,870	-	-	4,870
School Administration	1,256,940	1,171	-	1,258,111
Facilities Acquisition and Construction	624	-	-	624
Fiscal Services	67,942	-	-	67,942
Transportation	4,279	-	-	4,279
Operation of Plant	1,045,030	8,439	289,868	1,343,337
Maintenance of Plant	<u>50,057</u>	<u>-</u>	<u>-</u>	<u>50,057</u>
TOTAL EXPENDITURES	<u>8,736,228</u>	<u>1,202,310</u>	<u>289,868</u>	<u>10,228,406</u>
Excess of Revenues Over Expenses	<u>628,990</u>	<u>-</u>	<u>-</u>	<u>628,990</u>
Net Change in Fund Balances	628,990	-	-	628,990
Fund Balance - Beginning of Year	<u>3,010,931</u>	<u>-</u>	<u>-</u>	<u>3,010,931</u>
Fund Balance - End of Year	<u>\$ 3,639,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,639,921</u>

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

PALM BEACH SCHOOL FOR AUTISM, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balance - Governmental Funds	\$	628,990
-------------------------------------------------	----	---------

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

Governmental funds report capital outlay as expenditures. However, in the government- wide statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$0 differed from depreciation expense of \$181,064 in the current period.

Expenditures for capital assets	\$	-	
Less current year depreciation		<u>(181,064)</u>	<u>(181,064)</u>
Change in Net Position of Governmental Activities	\$		<u>447,926</u>

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

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Palm Beach School for Autism (“the School”) was established as a non-profit organization in May 2003 under the laws of the State of Florida. The School was organized as a single legal entity at both the State and Federal levels and operated as two schools prior to fiscal year 2010. As of July 1, 2009, the School operates under a single charter with its second charter, The Palm Beach Academy for Learning, which operated as the Elementary School.

The School operates under Florida Statutes Section 1002 as a Charter Contract with the School Board of Palm Beach County, Florida (“the District”). Under the Charter, the School provides education to children that live in Palm Beach County, Florida who are diagnosed with autism. Education is provided to those of pre-school age and children from kindergarten through high school. The School is governed by a Board of Directors. Its mission is to provide innovative education and behavioral support to empower individuals with autism so that they will lead fulfilling lives.

The Charter requires the District to provide the School's primary source of funding based upon the number of full-time equivalent students registered at the School.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the School Board of Palm Beach County, Florida. On July 25, 2013, the School was approved by its Sponsor to provide educational services in accordance with the terms of a charter school agreement dated July 1, 2008 for grades nine through twelve. Accordingly, it has amended its charter to include the additional grades. The current term shall cover fifteen (15) years commencing on the first day of school in the first year of the contract school year July 1, 2019 and ending on June 30, 2034, is subject to annual review, and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. However, the District has determined that the School is not considered a component unit of the District. For financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units, which should be reported within the School's basic 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 provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

2. Reporting Entity

The financial reporting entity consists of the Palm Beach School for Autism, Inc. as the primary government.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

The government-wide financials statements include the statement of net position and the statement of activities. These statements report financial information for the School as a whole.

The statement of activities report the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include positions of a fund or summarize more than one fund to capture the expense and program revenues associated with a district functional activity. Program revenues include: (1) charges for services which report fees and other charges, (2) operating grants and contributions, which finance annual operating activities including restricted investment income, and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these programs uses.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns.

3. Measure Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinion issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources, measurement focus, and the accrual basis of accounting; generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements report using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting.

Major revenues sources susceptible to accrual include: intergovernmental revenues and investment income.

4. Major Funds

General Fund is the general operating fund. It is used to account for all current financial resources except those required to be accounted for in another fund of the School.

Federal Awards Fund is used to account for certain Federal grant program resources and food service.

Capital Outlay Fund is used to account for the resources segregated for the acquisition or construction of designated capital facilities and other capital assets.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Encumbrances

Encumbrances accounting, under which purchase orders and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed.

6. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

7. Cash and Cash Equivalents

For purposes of the statement of cash flows the School considers demand deposits and short-term investments with original maturities of 90 days or less to be cash equivalents.

8. Capital Assets and Depreciation

The School's property, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements.

The School generally capitalizes assets with cost of \$2,500 or more as outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extends the useful lives are expensed. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	5 years
Leasehold improvements	10.5 years

9. Budget

Budget to actual comparison is reflected in the accompanying financial statements for general fund type, which the School has adopted for its operations. In compliance with Florida Statutes, the Board of Directors adopts an annual budget on a basis consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, student support services, instructional and curriculum development services and school administration). Revisions to the annual budget are approved by the Board of Directors.

10. Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2018-2020 are still open to audit for federal purposes. Contributions to the School are tax deductible to donors under Section 170 of the IRC. The School is not classified as a private foundation.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Net Position and Fund Balance Classifications

Government-wide financial statements

Equity is classified as net position and displayed in two (2) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Unrestricted net position - all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with deposits of \$4,949 and prepaid items of \$78,436.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

In the governmental fund financial statements, the School uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this. Additionally, the School would first use committed, then assigned and lastly unassigned amounts.

12. Deferred Outflows and Inflows of Resources

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

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

13. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE B - CONCENTRATION OF RISK

The School maintains bank accounts at a single financial institution that is a qualified public depository under Florida Law. For all accounts, including interest bearing accounts that do not qualify for the unlimited Federal Deposit Insurance Corporation insurance (FDIC), coverage is now permanently set at \$250,000 per depositor. The School's cash deposits are insured by FDIC and collateralized by Florida's Multiple Institution Collateral Pool as provided for in Florida Statutes 280.

NOTE C - DUE FROM OTHER AGENCY

The amount of \$121,998 Due from Other Agency included in the accompanying statement of Net Position and the Balance Sheet - governmental funds consists of \$19,699 due from the School District of Palm Beach County Capital Outlay funds and \$102,299 for ESSER II funds. This receivable is considered to be fully collectible and as such, no allowance for uncollectible is accrued.

NOTE D - SCHOOL DISTRICT OF PALM BEACH COUNTY

The School has a charter with the School District of Palm Beach County, Florida, to operate the School. The School receives funding from the School District of Palm Beach County, Florida, based on the projected number of full time equivalent (FTE) students. The term of the new charter agreement began on July 1, 2019, and will end on June 30, 2034.

NOTE E - CONTINGENCIES

The School receives funding through the School District of Palm Beach, Florida, that is based in part on a computation of the number of full time equivalent ("FTE") students enrolled. The accuracy of data compiled supporting the FTE count is subject to audit, and if found to be in error, could result in refunds or a decrease of future funding allocations. It is the opinion of management that the amount of revenue, which may be remitted back due to errors in the FTE count, if any, will not be material to the financial position of the School. In addition, the continued operations of the School are dependent upon an agreement with the School District of Palm Beach County, Florida.

NOTE F - CAPITAL ASSETS

The changes in capital assets during the year ended June 30, 2021 were as follows:

	Balance <u>06/30/20</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/21</u>
Equipment and Fixtures	\$ 200,812	\$ -	\$ -	\$ 200,812
School Bus	200,525	-	-	200,525
Leasehold Improvements	<u>1,245,737</u>	<u>-</u>	<u>-</u>	<u>1,245,737</u>
	1,647,074	-	-	1,647,074
Less: Accumulated depreciation	<u>(766,636)</u>	<u>(181,064)</u>	<u>-</u>	<u>(947,700)</u>
Net capital assets	<u>\$ 880,438</u>	<u>\$ (181,064)</u>	<u>\$ -</u>	<u>\$ 699,374</u>

The depreciation expense for the year ended June 30, 2021 was \$181,064 and the school has allocated 10% to administration and 90% to instructional program activities.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - COMMERCIAL LEASE

On June 30, 2011, the School entered into a commercial lease agreement with Lantana Charter LLC (Landlord) to lease premises to be constructed by the Landlord. The terms of the lease commenced on October 1, 2012 the date the School officially occupied the facilities. As of June 30, 2012, the School had paid a security deposit in the amount of \$29,000 to the Landlord. The lease was amended by the First Amendment on February 28, 2012, and the Second Amendment dated May 1, 2012.

On February 4, 2014, the School entered into a Third Amendment to the commercial lease agreement with Lantana Charter LLC to reflect the additional square footage of 10,000 square feet on the 2nd floor for a total of 31,600 square feet of leased premises. The Third Amendment extends the lease term from ten (10) years to twelve (12) years which extension shall not extend or otherwise modify the rent that begins in lease year six (6). The Third Amendment also extends the purchase option of the leased premises to any time during lease years 1-5 as set forth in the Option Agreement. The rent shall increase on the Delivery Date of the completed 2nd floor which occurred in February 2015 with a monthly base rent of \$46,531 until lease year five (5). The base rent shall increase at a rate of 3% each year, thereafter.

On November 16, 2017, the School entered into a Fourth Amendment to the commercial lease agreement with Lantana Charter LLC to reflect the additional square footage of 10,450 square feet for a total of 42,050 square feet of leased premises. The leasehold improvement allowance for the expansion space will be \$627,000 (\$60 per square foot) of which, the School will be responsible for a maximum of \$125,000. The School's leasehold contribution was payable before June 30, 2020 and upon payment the Landlord refunded the existing security deposit of \$29,000. The Fourth Amendment extends the lease term to seventeen (17) years to September 30, 2029 which extension shall modify the rent that begins in lease year six (6). The Fourth Amendment also extends the purchase option of the leased premises through the remaining term of the lease as set forth in the Option Agreement. The rent shall increase on the Delivery Date of the completed expansion space, which is effective July 1, 2018 with a monthly base rent of \$18,288 until lease year eight (8). The base rent shall increase at a rate of 3% each year, thereafter.

The future minimum lease payments are as follows:

<u>Lease Year</u>	<u>Period</u>	<u>Total Monthly Base Rent</u>
9	10/1/20-9/30/21	\$ 71,207
10	10/1/21-9/30/22	73,343
11	10/1/22-9/30/23	75,544
12	10/1/23-9/30/24	77,810
13	10/1/24-9/30/25	80,144
14	10/1/25-9/30/26	82,549
15	10/1/26-9/30/27	85,025
16	10/1/27-9/30/28	87,576
17	10/1/28-9/30/29	<u>90,203</u>
Total Minimum Lease Payments		<u>\$ 723,401</u>

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE H - COPIER LEASE WITH MAINTENANCE AGREEMENT

On August 27, 2019, the School entered into a new sixty-three (63) month lease agreement with Toshiba Business Solutions for five copier machines. Payments in the amount of \$4,350 plus applicable taxes are due monthly during the term of the agreement. Annual payments will be \$52,200 for years ending June 30, 2022 through June 30, 2024 and \$21,750 through end of agreement.

NOTE I - RISK MANAGEMENT

The School is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance.

NOTE J - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 22, 2021, the date that the financial statements were available to be issued.

NOTE K - COVID-19 PANDEMIC

The spread of a novel strain of Coronavirus (COVID-19) in the first months of 2020 has caused a substantial impact on the U.S. economy. There is significant uncertainty around the effects and duration of business interruption related to COVID-19. The extent of the impact on the School's operations, management, employees and vendors, will depend on certain developments, which cannot be determined at this time.

NOTE L - RELATED PARTIES

On April 29, 2021, the School Board established a limited liability company, Exit 8480, LLC, which is an expansion of the in-house job training program that will offer employment and training to students and graduates of the School. The Board has collected funds on behalf of the company in the amount of \$100,379 to be deposited in the newly formed Exit 8480, LLC checking account from restricted monies originally deposited in the Palm Beach School for Autism's account. The company is Manager managed and the School is the registered manager of the company.

On May 21, 2021, the School Board established a limited liability company, Palm Beach School for Autism Properties, LLC, to be a supporting organization of the School and expected to own the real property and be responsible for the payment of the debt resulting from the purchase of the leased building and land from the current landlord (see Note M). The Company will be Member-Managed and have a single-member consisting of the Palm Beach School for Autism, Inc. As of June 30, 2021, the School has recorded \$3,883 due from the company in the prepaid expenses, which are the funds paid on behalf of the School to establish the company. These funds will be reimbursed at a later date to be determined.

NOTE M - SUBSEQUENT EVENT

The School's Board has begun the process to purchase the land and buildings (including the private daycare building on the land). The School has received a Commitment Letter of approval from Equitable Facilities Fund, Inc. (the "Lender") for a loan amount not to exceed \$16,500,000. The loan proceeds will be used to finance the acquisition of the real property and improvements constituting the Financed School currently leased from Lantana Charter, LLC and pay costs of issuance associated with the transaction. Maturity of the loan is 30 years, subject to prepayment in whole or in part without penalty, any date 10 years or more from targeted date of closing no later than October 1, 2021 or as mutually agreed upon between Borrower and Lender.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE N - ESSER II FUNDS THROUGH CORONAVIRUS RESPONSE & RELIEF SUPPLEMENTAL APPROPRIATIONS ACT (CRRSA)

The Elementary and Secondary Emergency Relief (ESSER) Funds under the CARES Act are provided to Local Educational Agencies (LEAs) to address the impact that Covid-19 has had, and continues to have, on elementary and secondary schools in Florida. The School has received confirmation from the School District of Palm Beach County that \$334,990 of the ESSER II funding has been allocated to the School for the 2021-2022 school year. As of June 30, 2021, \$102,299 of allowable expenditures that were incurred on or after March 13, 2020, the date the President declared the national emergency due to Covid-19, have been recognized as Federal revenue and expenses.

NOTE O - RECLASSIFICATIONS

A reclassification in 2020 with respect to the deferred outflows of assets has been made to conform to 2021's presentation.

REQUIRED SUPPLEMENTARY INFORMATION

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
FEFP Income	\$ 8,704,286	\$ 9,264,709	\$ 9,264,709	\$ -
Private Donations	25,000	44,333	44,333	-
Other Local Revenue	137,500	-	-	-
Fundraising Income	100,000	39,258	39,258	-
Investment Earnings	15,000	6,324	6,324	-
Miscellaneous	<u>500</u>	<u>10,594</u>	<u>10,594</u>	<u>-</u>
TOTAL REVENUES	<u>8,982,286</u>	<u>9,365,218</u>	<u>9,365,218</u>	<u>-</u>
EXPENDITURES				
Instruction	6,298,103	6,058,616	6,058,616	-
Student Support Services	62,000	18,720	18,720	-
Instructional and Curriculum Development Services	429,819	212,671	212,671	-
Instructional Staff Training Services	18,000	16,479	16,479	-
Board Expenses	12,500	4,870	4,870	-
School Administration	1,249,820	1,256,940	1,256,940	-
Facilities Acquisition and Construction	1,500	624	624	-
Fiscal Services	76,000	67,942	67,942	-
Transportation	26,000	4,279	4,279	-
Operation of Plant	1,221,129	1,045,030	1,045,030	-
Maintenance of Plant	<u>48,800</u>	<u>50,057</u>	<u>50,057</u>	<u>-</u>
TOTAL EXPENDITURES	<u>9,443,671</u>	<u>8,736,228</u>	<u>8,736,228</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ (461,385)</u>	<u>\$ 628,990</u>	628,990	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>3,010,931</u>	
Fund Balance - End of Year			<u>\$ 3,639,921</u>	

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FEDERAL AWARDS FUND
For the Fiscal Year Ended June 30, 2021
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
FEFP Income	\$ -	\$ -	\$ -	\$ -
Federal Through State and Local	880,000	1,202,310	1,202,310	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>880,000</u>	<u>1,202,310</u>	<u>1,202,310</u>	<u>-</u>
EXPENDITURES				
Instruction	880,000	1,118,341	1,118,341	-
Student Support Services	-	63,050	63,050	-
Pupil Personnel Services	-	352	352	-
Instructional Staff Training Services	-	10,957	10,957	-
Board Expenses	-	-	-	-
School Administration	-	1,171	1,171	-
Fiscal Services	-	-	-	-
Transportation	-	-	-	-
Operation of Plant	-	8,439	8,439	-
Maintenance of Plant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>880,000</u>	<u>1,202,310</u>	<u>1,202,310</u>	<u>-</u>
Excess of Revenues Over Expenses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Net Change in Fund Balances			-	
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

SUPPLEMENTARY INFORMATION

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2021
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
FEFP	\$ 42,000	\$ 45,016	\$ 45,016	\$ -
Capital Outlay	<u>200,000</u>	<u>244,852</u>	<u>244,852</u>	<u>-</u>
TOTAL REVENUES	<u>242,000</u>	<u>289,868</u>	<u>289,868</u>	<u>-</u>
EXPENDITURES				
Instruction	-	-	-	-
Student Support Services	-	-	-	-
Instructional and Curriculum Development Services	-	-	-	-
Instructional Staff Training Services	-	-	-	-
Board Expenses	-	-	-	-
School Administration	-	-	-	-
Fiscal Services	-	-	-	-
Transportation	-	-	-	-
Operation of Plant	242,000	289,868	289,868	-
Maintenance of Plant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>242,000</u>	<u>289,868</u>	<u>289,868</u>	<u>-</u>
Excess of Revenues Over Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net Change in Fund Balances			-	
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass- Through Grantor Number</u>	<u>Amount of Expenditures</u>
United States Department of Education:			
Indirect:			
Special Education Cluster:			
Special Education - Grants to States	84.027		
Pass-through Florida Department of Education		262,263	
IDEA, Part B K-12, Entitlement			\$ 1,083,004
Special Education - Preschool Grants			
Pass-through Florida Department of Education		266, 267	
IDEA, Part B Pre-K, Entitlement	84.173		<u>17,007</u>
Total Special Education Cluster			<u>1,100,011</u>
ESSER II Coronavirus Response & Relief Supplemental Appropriation (CRRSA)	84.425D		<u>102,299</u>
Total Expenditures of Federal Awards			<u>\$ 1,202,310</u>

The accompanying notes are an integral part of this schedule.

PALM BEACH SCHOOL FOR AUTISM, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the School under programs of the Federal government for the fiscal year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The School has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.



1900 NW Corporate Blvd, Suite 110W Boca Raton, FL 33431 Phone (561) 998-7770 Fax (561) 998-7771

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

To the Board of Directors
Palm Beach School for Autism, Inc.
Lake Worth, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and each major fund of Palm Beach School for Autism, Inc. (the "School") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Palm Beach School for Autism, Inc.'s basic financial statements, and have issued our report thereon dated September 22, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Lanter, Leonardo & DiCrescenzo, LLC

Lanter, Leonardo & DiCrescenzo, LLC
Certified Public Accountants
Boca Raton, Florida
September 22, 2021



1900 NW Corporate Blvd, Suite 110W Boca Raton, FL 33431 Phone (561) 998-7770 Fax (561) 998-7771

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Palm Beach School for Autism, Inc.
Lake Worth, Florida

Report on Compliance for Each Major Federal Program

We have audited Palm Beach School for Autism, Inc.'s (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Palm Beach School for Autism, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Lanter, Leonardo & DiCrescenzo, LLC

Lanter, Leonardo & DiCrescenzo, LLC
Certified Public Accountants
Boca Raton, Florida
September 22, 2021

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial
statements audited were prepared in accordance with
GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Type of auditor's report issued on compliance for major
Federal programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2CFR 200.516(a)

No

Identification of major programs:

CFDA Numbers:

84.027 and 84.173

Name of Federal Program or Cluster:
Special Education Cluster

84.425D

ESSER II Coronavirus Response & Relief
Supplemental Appropriation (CRRSA)

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as a low risk auditee?

No

PALM BEACH SCHOOL FOR AUTISM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2021

SECTION II. FINANCIAL STATEMENTS FINDINGS

No matters to report.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters to report.

SECTION IV. PRIOR AUDIT FOLLOW-UP

There were no prior financial statement findings requiring follow-up.

SECTION V. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The School did not have prior year audit findings required to be reported for federal programs.



1900 NW Corporate Blvd, Suite 110W Boca Raton, FL 33431 Phone (561) 998-7770 Fax (561) 998-7771

To the Board of Directors of Palm Beach School for Autism, Inc., Florida

Report on the Financial Statements

We have audited the financial statements of the Palm Beach School for Autism, Inc., Florida as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 22, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated September 22, 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.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Palm Beach School for Autism, Inc.; 2941.

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 Palm Beach School for Autism, Inc. 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 Palm Beach School for Autism, Inc. 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 Palm Beach School for Autism, Inc. It is management's responsibility to monitor Palm Beach School for Autism, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Financial Condition and Management (Continued)

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Palm Beach School for Autism, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Palm Beach School for Autism, Inc. maintained on a Web site, www.pbsfa.org, 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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Lanter, Leonardo & DiCrescenzo, LLC

Lanter, Leonardo & DiCrescenzo, LLC
Certified Public Accountants
Boca Raton, Florida
September 22, 2021