

**PALM BEACH SCHOOL FOR AUTISM
(A CHARTER SCHOOL UNDER PALM BEACH SCHOOL FOR AUTISM, INC.)**

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

JUNE 30, 2022



CERTIFIED PUBLIC ACCOUNTANTS

PALM BEACH SCHOOL FOR AUTISM
JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities.....	11
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of Governmental Funds to the Statement of Activities.....	15
<i>Notes to the Basic Financial Statements</i>	16-25
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	26
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund.....	27
<i>Notes to Required Supplementary Information</i>	28
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 <i>Government Auditing Standards</i>	29-30
Management Letter	31-32



PALM BEACH SCHOOL FOR AUTISM
(A Charter School under Palm Beach School For Autism, Inc.)

JUNE 30, 2022

8480 Lantana Road
Lake Worth, FL 33467
(561) 533-9917

2021-2022

BOARD OF DIRECTORS

Ms. Randee Gabriel, Board President
Ms. Dawn D'Amato, Board Vice-President
Mr. Steve Carroll, Treasurer
Ms. June Aversano, Board Member
Mr. Jerry Zel, Board Member
Mr. Russ Feldman, Board Member
Mr. Damien Hunte, Board Member

SCHOOL ADMINISTRATION

Ms. Ann Levene-Eisenberg, Executive Director
Ms. Olive Balboas Principal, Grades 3-5 and Middle School
Ms. Juliet Bliss, Principal, Preschool and Grades K-3
Mr. Jonathan Coyle, Principal, High School
Mr. Patrick Pierre, Principal, Transition Program, 18 years plus



CERTIFIED PUBLIC ACCOUNTANTS



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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Palm Beach School for Autism (the "School"), a charter school under Palm Beach School for Autism, Inc. and a component unit of the District School Board of Palm Beach County, Florida, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 26-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Matters

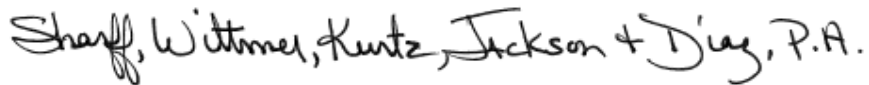
As described in Note 1, the accompanying financial statements referred to above present only the financial position of the charter school as of June 30, 2022, and the respective changes in the financial position for the year then ended, and is not intended to be a complete presentation of Palm Beach School for Autism, Inc. These financial statements do not purport to and do not present fairly the financial position of the Palm Beach School for Autism, Inc as of June 30, 2022 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 10 to the financial statements, during the current fiscal year, the School adopted new accounting guidance, GASB No. 87, Leases. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



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

Coral Gables, Florida
September 23, 2022



CERTIFIED PUBLIC ACCOUNTANTS

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The officers of Palm Beach School For Autism (the "School") have prepared this narrative overview and analysis of the School's financial activities for the year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

Net position is an indicator of the fiscal health of the School. Assets exceeded its liabilities by \$4,890,592 (net position) for the fiscal year reported. This compared to the previous year when assets exceeded liabilities by \$4,339,295. The net position of the School increased by \$551,297.

Total net position is comprised of the following:

- \$257,543 net investment in capital and right-of-use assets
- \$854,143 in restricted funds
- \$3,778,906 in unrestricted funds

At year-end, the School had current assets on hand of \$4,954,734.

Enrollment continues to increase at the School, with full-time equivalent ("FTE") students totaling 374 at June 30, 2022.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2022 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business. The School's annual report includes two government-wide financial statements.

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

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

The 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.

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

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing. Prior to the start of the School's fiscal year, the Board of Directors of the School (the "Board") adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget.

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

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 16 – 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2022 and 2021 follows:

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 4,616,563	\$ 3,781,451
Due from government agencies	155,975	121,998
Due from related party	65,000	3,883
Prepaid expense	117,196	74,552
Deposits	4,949	4,949
Capital assets, net	525,376	699,374
Right-of-use assets, net	18,011,637	-
TOTAL ASSETS	\$ 23,496,696	\$ 4,686,207
LIABILITIES AND NET POSITION		
Accounts payable	\$ 48,769	\$ 37,681
Salaries, benefits and payroll taxes payable	277,865	208,852
Due to related party	-	100,379
Right-of-use liabilities	18,279,470	-
Total Liabilities	18,606,104	346,912
Net investment in capital and Right-of-use assets	257,543	699,374
Restricted	854,143	-
Unrestricted	3,778,906	3,639,921
Total Net Position	4,890,592	4,339,295
TOTAL LIABILITIES AND NET POSITION	\$ 23,496,696	\$ 4,686,207

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

At June 30, 2022, the School's total assets were \$23,496,696 and total liabilities were \$18,606,104. At June 30, 2022, the School reported total positive net position of \$4,890,592.

The assets of the School primarily consist of cash and cash equivalents, prepaid items amounts due from government 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 \$4,890,592 at June 30, 2022. A portion of the School's net position (5%) reflects its net investment in capital and Right-of-use assets. The School uses these capital assets to provide educational services; consequently, these assets are not available for future spending. Additionally 18% of the School's net position relates to the unused portion of the tax referendum funding and it is restricted for specific instructional uses. An additional portion of the School's net position (77%) represents an unrestricted net position that is available to meet the financial obligations of the School.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2022 and 2021 follows:

	2022	2021
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 2,735,642	\$ 1,202,310
Charges for services	138,430	-
State capital outlay funding	247,733	244,852
General Revenues		
FEFP nonspecific revenue	9,169,668	9,309,725
Fundraising, donations and other revenue	247,108	100,509
Total Revenues	12,538,581	10,857,396
EXPENSES		
Board	6,393	4,870
Facilities acquisition and construction	-	624
Fiscal services	106,801	67,942
Instruction	8,068,308	7,339,915
Instructional and curriculum development services	219,424	213,023
Instructional staff training services	15,252	27,436
Interest expense	431,517	-
Maintenance of plant	66,327	50,057
Operation of plant	961,354	1,343,337
Pupil transportation services	8,085	4,279
School administration	1,370,345	1,276,217
Student support services	147,061	81,770
Unallocated depreciation and amortization expenses	586,417	-
Total Expenses	11,987,284	10,409,470
Change in Net Position	551,297	447,926
Net Position at Beginning of Year	4,339,295	3,891,369
Net Position at End of Year	\$ 4,890,592	\$ 4,339,295

The School's total revenues for the year ended June 30, 2022 were \$12,538,581, while its total expenses were \$11,987,284 for a net increase of \$551,297 in its net position.

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

ACCOMPLISHMENTS

Palm Beach School for Autism celebrates many accomplishments in the 2021-2022 school year. This includes purchasing the campus and both buildings, developing a new e-commerce gift box business for students to train, continued growth of Project Next, new community partners including businesses who train and employ the students and partners who are donors, introduction of general education curriculum for those students who can successfully access the demands, and tremendous growth in student population for the school year 2022.

Palm Beach School for Autism educates children with autism from preschool through age 22. 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.

SCHOOL LOCATION

The School operates in Palm Beach County, Florida, located at 8480 Lantana Rd, Lake Worth, FL 33467.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

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

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital and right-of-use assets, as of June 30, 2022, amounts to \$18,537,014 (net of accumulated depreciation and amortization of \$1,537,117). This investment includes right-of-use assets related to facilities and copier, leasehold improvements, school buses, furniture, fixtures and equipment, computer equipment and software.

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 9,640,968	\$10,543,049	\$10,543,049
Federal sources	1,167,000	1,362,261	1,362,261
State capital outlay funding	225,000	247,733	247,733
Charges for services	162,000	138,460	138,460
Fundraising, donations and other revenues	286,705	247,078	247,078
TOTAL REVENUES	11,481,673	12,538,581	12,538,581
EXPENDITURES			
Board	19,500	6,393	6,393
Facilities acquisition & construction	1,500	-	-
Fiscal services	80,000	106,801	106,801
Instruction	9,133,286	8,396,678	8,068,308
Instructional and curriculum development services	513,356	219,424	219,424
Instructional staff training	20,000	15,252	15,252
Maintenance of plant	48,300	66,327	66,327
Operation of plant	1,418,110	1,209,087	961,354
Pupil transportation services	23,600	8,085	8,085
School administration	1,391,021	1,370,345	1,370,345
Student support service	-	147,061	147,061
Capital Outlay:			
Right-of-use assets	-	-	18,424,057
Debt Service:			
Interest expense	-	-	431,517
Redemption of principal	-	-	144,586
TOTAL EXPENDITURES	12,648,673	11,545,453	29,969,510
Excess of revenues over expenditures	(1,167,000)	993,128	(17,430,929)
Other financing source:			
Increase in right-of-use liabilities	-	-	18,424,057
Total other financing source	-	-	18,424,057
NET CHANGE IN FUND BALANCE	\$ (1,167,000)	\$ 993,128	\$ 993,128

The School's original budget did not reflect the tax referendum funding that were allocated during 2021-2022. In addition, original and final budgets for facility lease expenses were budgeted in operation of plant and copier lease expenses were budgeted in instruction and school administration but are reported under debt service due to the implementation of GASB No. 87, Leases.

**PALM BEACH SCHOOL FOR AUTISM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Questions concerning the information found in this report or requests for additional information may be addressed to Ann Levene-Eisenberg, Executive Director, Palm Beach School For Autism, 8480 Lantana Road, Lake Worth, Florida 33467.

**PALM BEACH SCHOOL FOR AUTISM
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,613,976
Cash and cash equivalents - capital campaign	2,587
Due from government agencies	155,975
Due from related party	65,000
Prepaid items	117,196
Total current assets	4,954,734
Capital assets, net	525,376
Right-of-use assets, net	18,011,637
Deposits	4,949
TOTAL ASSETS	\$ 23,496,696
 LIABILITIES AND NET POSITION	
Current liabilities:	
Accounts payable	\$ 48,769
Salaries, benefits and payroll taxes payable	277,865
Right-of-use liabilities, current portion	242,459
Total current liabilities	569,093
Right-of-use liabilities, net of current portion	18,037,011
TOTAL LIABILITIES	18,606,104
 Net position:	
Net investment in capital and right-of-use assets	257,543
Restricted	854,143
Unrestricted	3,778,906
Total net position	4,890,592
TOTAL LIABILITIES AND NET POSITION	\$ 23,496,696

**PALM BEACH SCHOOL FOR AUTISM
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Program Revenues

Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:					
Board	\$ 6,393	\$ -	\$ -	\$ -	\$ (6,393)
Fiscal services	106,801	-	13,686	-	(93,115)
Instruction	8,068,308	138,430	2,299,780	-	(5,630,098)
Instructional and curriculum development services	219,424	-	61,333	-	(158,091)
Instructional staff training	15,252	-	2,476	-	(12,776)
Interest expenses	431,517	-	-	247,733	(183,784)
Maintenance of plant	66,327	-	-	-	(66,327)
Operation of plant	961,354	-	118,350	45,745	(797,259)
Pupil transportation services	8,085	-	-	-	(8,085)
School administration	1,370,345	-	28,711	-	(1,341,634)
Student support services	147,061	-	211,306	-	64,245
Unallocated depreciation and amortization expenses	586,417	-	-	-	(586,417)
Total Governmental Activities	\$ 11,987,284	\$ 138,430	\$ 2,735,642	\$ 293,478	\$ (8,819,734)

GENERAL REVENUES:

Government grants not restricted to specific programs	\$ 9,123,923
Donations	131,012
Fundraising income	110,932
Other revenue	5,164
Total general revenues	<u>9,371,031</u>
 Change in Net Position	 551,297
 NET POSITION - BEGINNING	 4,339,295
 NET POSITION - ENDING	 <u>\$ 4,890,592</u>

**PALM BEACH SCHOOL FOR AUTISM
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Governmental Fund
ASSETS				
Cash and cash equivalents	\$ 3,759,833	\$ 854,143	\$ -	\$ 4,613,976
Cash and cash equivalents-capital	2,587	-	-	2,587
Due from government agencies	-	136,232	19,743	155,975
Due from related party	65,000	-	-	65,000
Prepaid items	117,196	-	-	117,196
Deposits	4,949	-	-	4,949
Due from other funds	155,975	-	-	155,975
TOTAL ASSETS	<u>\$ 4,105,540</u>	<u>\$ 990,375</u>	<u>\$19,743</u>	<u>\$ 5,115,658</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 48,769	\$ -	\$ -	\$ 48,769
Salaries, benefits and payroll taxes payable	277,865	-	-	277,865
Due to other funds	-	136,232	19,743	155,975
Total Current Liabilities	<u>326,634</u>	<u>136,232</u>	<u>19,743</u>	<u>482,609</u>
Fund Balance				
Nonspendable:				
Prepaid expenditures	117,196	-	-	117,196
Deposits	4,949	-	-	4,949
Restricted	-	854,143	-	854,143
Unassigned	3,656,761	-	-	3,656,761
Total Fund Balance	<u>3,778,906</u>	<u>854,143</u>	<u>-</u>	<u>4,633,049</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,105,540</u>	<u>\$ 990,375</u>	<u>\$ 19,743</u>	<u>\$ 5,115,658</u>

**PALM BEACH SCHOOL FOR AUTISM.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

Total Fund Balance - Governmental Funds	\$ 4,633,049
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.	Capital assets	1,647,074
	Accumulated depreciation	(1,121,698)

Right-to-use asset and liability used in governmental activities are not financial resources or obligations and therefore are not reported.	Right-of-use assets	18,011,637
	Right-of-use liabilities	<u>(18,279,470)</u>

Total Net Position - Governmental Activities	<u>\$ 4,890,592</u>
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**PALM BEACH SCHOOL FOR AUTISM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
REVENUES				
State passed through local	\$ 9,123,923	\$ 1,373,381	\$ 45,745	\$ 10,543,049
Federal sources	-	1,362,261	-	1,362,261
State capital outlay funding	-	-	247,733	247,733
Charges for services	138,460	-	-	138,460
Donations	131,012	-	-	131,012
Fundraising	110,932	-	-	110,932
Other revenues	5,134	-	-	5,134
TOTAL REVENUES	<u>9,509,461</u>	<u>2,735,642</u>	<u>293,478</u>	<u>12,538,581</u>
EXPENDITURES				
Current:				
Board	6,393	-	-	6,393
Fiscal services	93,115	13,686	-	106,801
Instruction	6,499,679	1,568,629	-	8,068,308
Instructional and Curriculum Development Services	158,091	61,333	-	219,424
Instructional staff training	12,776	2,476	-	15,252
Maintenance of plant	66,327	-	-	66,327
Operation of plant	831,030	84,579	45,745	961,354
Pupil transportation services	8,085	-	-	8,085
School administration	1,341,634	28,711	-	1,370,345
Student support service	24,976	122,085	-	147,061
Capital Outlay:				
Right-of-use assets	-	-	18,424,057	18,424,057
Debt Service:				
Interest expense	328,370	-	103,147	431,517
Redemption of principal	-	-	144,586	144,586
TOTAL EXPENDITURES	<u>9,370,476</u>	<u>1,881,499</u>	<u>18,717,535</u>	<u>29,969,510</u>
Excess of revenues over expenditures	138,985	854,143	(18,424,057)	(17,430,929)
Other financing uses:				
Increase in right-of-use liabilities	-	-	18,424,057	18,424,057
Total other financing sources	-	-	18,424,057	18,424,057
Excess of revenues over expenditures	138,985	854,143	-	993,128
Fund balance at beginning of year	3,639,921	-	-	3,639,921
Fund balance at end of year	<u>\$ 3,778,906</u>	<u>\$ 854,143</u>	<u>\$ -</u>	<u>\$ 4,633,049</u>

**PALM BEACH SCHOOL FOR AUTISM
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022**

Change in Fund Balance - Governmental Funds \$ 993,128

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	Capital outlay Depreciation expense	- (173,998)
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In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.	Amortization expense	 (412,419)
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The proceeds from loans and right-to-use liability provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	Redemption of principal	 144,586
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Change in Net Position of Governmental Activities		<hr style="border: 0.5px solid black;"/> \$ 551,297 <hr style="border: 0.5px solid black;"/>
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**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – ORGANIZATION AND OPERATIONS

Palm Beach School For Autism (“the School”), is a charter school sponsored by the School Board of Palm Beach County, Florida (the “School Board”), The School’s charter is held by Palm Beach School for Autism, Inc. (“Organization”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors of the Organization, which is comprised of seven members.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of Organization as of June 30, 2022, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District of School Board of Palm Beach County, Florida. The School renewed its charter on June 11, 2019 for a fifteen-year term, commencing on July 1, 2019 and is effective until June 30, 2034. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2022 when 374 students were enrolled in kindergarten through twelfth grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School’s accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-Wide and Fund Financial Statements

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. Both statements report only governmental activities, as the School does not engage in any business type activities.

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

PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

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

Special Revenue Fund – This fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes other than debt service and capital projects.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report 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. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements 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. Measurable means the amount of the transaction can be determined. 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. Florida Education Finance Program ("FEFP") revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the board.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$2,500 per unit on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs 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
Vehicles	5 years
Leasehold improvements	10.5 years

Compensated Absences

All full-time employees are eligible for paid time off (PTO). Temporary and part-time employees are not eligible. PTO accumulates in relationship to all regular hours actually worked.

Salaried employees will be granted paid time off (PTO) within the contract/agreement with the organization. If an employee uses all PTO allotted to them, any additional sick days will be without pay.

GASB Codification Section C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

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

Government-wide Fund Net Position

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

Net investment in capital and Right-of-use assets – Represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-to-use asset net of the right-to-use liability. The net investment in capital and right-to-use assets for the year ending June 30, 2022, was \$257,543.

Restricted net assets – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position as of June 30, 2022 was \$854,143. Restricted net assets are related to the tax referendum funding.

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

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Fund balance associated with inventories, prepaid items, long-term loan and note receivables and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year. At June 30, 2022, the School had \$122,145 in nonspendable fund balance.

Restricted – Fund balance category includes amounts that can be spent only for specific purposes as stipulated by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation. At June 30, 2022, the restricted fund balance was \$854,143.

Committed – Fund balance Includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action. At June 30, 2022, there is no committed fund balance.

Assigned – Fund balance includes amounts intended to be used by the School's management or Board of Directors for specific purposes but do not meet the criteria to be classified as either restricted or committed. At June 30, 2022, there is no assigned fund balance.

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

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2022, there are no minimum fund balance requirements for any of the School's funds.

PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

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

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

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 2019-2021 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.

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. Actual results could differ from those estimates.

Pronouncements Issued But Not Yet Effective

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The School is currently evaluating the effect that the implementation of the standard will have on its financial statements.

PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – CAPITAL AND RIGHT-OF-USE ASSETS

The following schedules provide a summary of changes in capital assets and Right-of-use assets for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Capital Assets				
Furniture, Fixtures and Equipment	\$ 164,934	\$ -	\$ -	\$ 164,934
School Bus	236,402	-	-	236,402
Leasehold and other improvements	1,245,738	-	-	1,245,738
Total Capital Assets	<u>1,647,074</u>	<u>-</u>	<u>-</u>	<u>1,647,074</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(160,966)	(2,559)	-	(163,525)
School Bus	(106,830)	(47,280)	-	(154,110)
Leasehold and other improvements	(679,904)	(124,159)	-	(804,063)
Total Accumulated Depreciation	<u>(947,700)</u>	<u>(173,998)</u>	<u>-</u>	<u>(1,121,698)</u>
Capital Assets, net	<u>\$ 699,374</u>	<u>\$ (173,998)</u>	<u>\$ -</u>	<u>\$ 525,376</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

Instruction	\$ (156,598)
School administration	(17,400)
Total depreciation expense	<u>\$ (173,998)</u>

The following schedule provides a summary of changes in right-of-use assets for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Right-of-use assets:				
Facilities	\$ -	\$ 18,212,985	\$ -	\$ 18,212,985
Copiers	-	211,072	-	211,072
Total right-of-use assets	<u>-</u>	<u>18,424,057</u>	<u>-</u>	<u>18,424,057</u>
Less Accumulated amortization				
Facilities	-	(354,141)	-	(354,141)
Copiers	-	(58,278)	-	(58,278)
Total accumulated amortization	<u>-</u>	<u>(412,419)</u>	<u>-</u>	<u>(412,419)</u>
Right-of-use assets, net	<u>\$ -</u>	<u>\$ 18,011,638</u>	<u>\$ -</u>	<u>\$ 18,011,638</u>

Amortization expense for the year ended June 30, 2022 was \$412,419, which was charged to operation of plant.

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 – DEPOSITS AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in major banks. Deposits are insured by the Federal Depository Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per financial institution. As of June 30, 2022, the bank balance of the School’s cash deposit accounts totaled \$4,646,041 and the carrying amounts totaled \$4,613,975.

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible to pledge, and reporting requirements of the qualified public depositor to the Treasurer is defined by the Statute. Collateral is pooled in a multiple qualified depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2022.

NOTE 5 – GRANTS

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

NOTE 6 – DUE FROM GOVERNMENTAL AGENCIES

The amounts due from governmental agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of the following as of June 30, 2022:

Capital Outlay Fund	\$	19,743
Individuals with Disabilities Education Act (IDEA) American Rescue Plan		<u>136,232</u>
	\$	<u><u>155,975</u></u>

NOTE 7 – INTER-FUND BALANCES

Inter-fund receivables/payables (“Due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. Interfund balances in governmental funds as of June 30, 2022 consist of the following:

	General Fund	Special Revenue Fund	Capital Outlay Fund
Due to General Fund from Special Revenue and Capital Outlay Funds for:			
Individuals with Disabilities Education Act (IDEA) American Rescue Plan	\$ 136,232	\$(136,232)	\$ -
Capital Outlay Fund	<u>19,743</u>	<u>-</u>	<u>(19,743)</u>
Total Due from/(Due to) Funds	<u><u>\$ 155,975</u></u>	<u><u>\$(136,232)</u></u>	<u><u>\$ (19,743)</u></u>

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 – RELATED PARTY TRANSACTIONS

On April 29, 2021, the Board of the School 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 School is the registered manager of the company. As of June 30, 2022, the School has recorded a loan of \$65,000 due from Exit 8480, LLC.

On May 21, 2021, the Board of the School established a limited liability company, Palm Beach School for Autism Properties, LLC (“Properties”). The Company is member-managed and has a single-member consisting of the Organization. On November 5, 2021, Properties acquired the real property of the school campus located at 8480 Lantana Road. Effective on November 5, 2021, the school entered into an agreement with Properties to lease the real property with terms similar to the previous owner. The lease ends on November 4, 2051. Refer to Note 10 for future commitments.

NOTE 9 – COPIER LEASES 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. Refer to Note 10 for future commitments.

On December 11, 2020, the School entered into a second sixty-three (63) month lease agreement with Toshiba Business Solutions for an additional copier machine. Payments in the amount of \$875 plus applicable taxes are due monthly during the term of the agreement. Refer to Note 10 for future commitments.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

On July 1, 2021, the School implemented GASB No. 87 *Leases* and as a result, has recorded a right-of-use assets and liabilities of \$18,424,057 in these financial statements for the facilities mentioned in Note 8 and the copier leases mentioned in Note 9. The School used an interest rate of 4.0% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognized the intangible right to use these assets and the lease liabilities as of July 1, 2021. For the year ended June 30, 2022, the interest expense related to the right-of-use liabilities was \$431,517 and the amortization expense of the right to use assets was \$412,419.

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Fiscal Year	Principal Payments	Interest Payments	Total	
2022–2023	\$ 242,459	\$ 726,765	\$ 969,224	
2023–2024	280,036	716,384	996,420	
2024–2025	289,220	704,371	993,591	
2025–2026	304,461	693,122	997,583	
2026–2027	339,957	680,344	1,020,301	
2027–2032	2,224,801	3,155,859	5,380,660	(Total for 5-year period)
2032–2037	2,754,148	2,658,039	5,412,187	(Total for 5-year period)
2037–2042	3,362,805	2,049,382	5,412,187	(Total for 5-year period)
2042–2047	4,105,974	1,306,213	5,412,187	(Total for 5-year period)
2047–2051	4,375,610	405,157	4,780,767	(Total for 5-year period)
	<u>\$ 18,279,471</u>	<u>\$ 13,095,636</u>	<u>\$ 31,375,107</u>	

	Balance 6/30/2021	Additions	Decreases	Balance 6/30/2022
Right-of-use liabilities				
Facilities	\$ -	\$ 18,212,985	\$ (89,323)	\$ 18,123,662
Copiers	-	211,072	(55,263)	155,809
	<u>\$ -</u>	<u>\$ 18,424,057</u>	<u>\$ (144,586)</u>	<u>\$ 18,279,471</u>

NOTE 11 – RISK MANAGEMENT

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

NOTE 12 – SUBSEQUENT EVENTS

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 23, 2022, which is the date the financial statements were available to be issued.

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 – IMPLICATIONS OF COVID-19

In March 2020, the World Health Organization declared the novel strain of coronavirus, COVID-19, a global pandemic (the “Pandemic”) and recommended containment and mitigation measures worldwide.

The Pandemic has caused a substantial impact on the U.S. economy. While it had no effect on the student population in the 2021-2022 school year, it had affected the School’s ability to recruit qualified teachers despite all the efforts made. The full impact of the pandemic on the School’s future depends on the ultimate duration and scope of the pandemic, the success of vaccination programs, and its impact on the School’s staff, students and their families. Management is actively monitoring the global situation on its financial conditions, liquidity, operations, suppliers, industry, and workforce.

REQUIRED SUPPLEMENTARY INFORMATION

**PALM BEACH SCHOOL FOR AUTISM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 9,595,968	\$ 9,123,923	\$ 9,123,923
Charges for services	162,000	138,460	138,460
Donations	150,000	131,012	131,012
Fundraising	130,000	110,932	110,932
Other revenues	6,705	5,134	5,134
TOTAL REVENUES	<u>10,044,673</u>	<u>9,509,461</u>	<u>9,509,461</u>
EXPENDITURES			
Current:			
Board	19,500	6,393	6,393
Facilities acquisition & construction	1,500	-	-
Fiscal services	80,000	93,115	93,115
Instruction	7,966,286	6,828,049	6,499,679
Instructional and curriculum development services	513,356	158,091	158,091
Instructional staff training	20,000	12,776	12,776
Maintenance of plant	48,300	66,327	66,327
Operation of plant	1,193,110	831,030	831,030
Pupil transportation services	23,600	8,085	8,085
School administration	1,391,021	1,341,634	1,341,634
Student support service	-	24,976	24,976
Debt Service			
Interest expense	-	-	328,370
TOTAL EXPENDITURES	<u>11,256,673</u>	<u>9,370,476</u>	<u>9,370,476</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,209,000)</u>	<u>\$ 138,985</u>	<u>\$ 138,985</u>

**PALM BEACH SCHOOL FOR AUTISM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 1,167,000	\$ 1,362,261	\$ 1,362,261
State passed through local	-	1,373,381	1,373,381
TOTAL REVENUES	1,167,000	2,735,642	2,735,642
EXPENDITURES			
Fiscal services	-	13,686	13,686
Instruction	1,167,000	1,568,629	1,568,629
Instructional and curriculum development Services	-	61,333	61,333
Instructional staff training services	-	2,476	2,476
Operation of plant	-	84,579	84,579
School administration	-	28,711	28,711
Student support services	-	122,085	122,085
TOTAL EXPENDITURES	1,167,000	1,881,499	1,881,499
NET CHANGE IN FUND BALANCE	\$ -	\$ 854,143	\$ 854,143

**PALM BEACH SCHOOL FOR AUTISM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A – BUDGETARY INFORMATION

Budgetary Basis of Accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2022 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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

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

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

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

To the Board of Directors
Palm Beach School for Autism
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 financial statements of the governmental activities and each major fund of Palm Beach School For Autism ("the "School"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 23, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

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

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

Coral Gables, Florida
September 23, 2022



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MANAGEMENT LETTER

To the Board of Directors
Palm Beach School For Autism
Lake Worth, Florida

Report on the Financial Statements

We have audited the financial statements of Palm Beach School For Autism (the "School"), a component unit of the District School Board of Palm Beach County, Florida, as of and for the year ended June 30, 2022, and have issued our report thereon dated September 23, 2022.

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.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 23, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

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

Financial Condition and Management

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

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2022 is not deteriorating.

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

Transparency

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

Additional Matters

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

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 Palm Beach School For Autism and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Coral Gables, Florida
September 23, 2022

