



**Ben Gamla Palm Beach  
W/L# 3941**

(A charter school under  
The National Ben Gamla Charter School Foundation, Inc.)

Boynton Beach, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2019

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Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)  
W/L# 3941  
8600 Jog Road  
Boynton Beach, Florida

2018-2019

BOARD OF DIRECTORS

Debra Klein, Director and Chair  
Daniel Fernandez, Director and Secretary  
Henry Ellenbogen, Director  
Marcus Jadote, Director  
Michelle Gerson, Director

SCHOOL ADMINISTRATION

Elanit Weizman, Principal



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Ben Gamla Palm Beach  
Boynton Beach, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ben Gamla Palm Beach (the "School"), a charter school under The National Ben Gamla Charter School Foundation, Inc., as of, and for the year ended June 30, 2019, 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 of America. 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, each major fund, and the aggregate remaining fund information of Ben Gamla Palm Beach as of June 30, 2019, 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**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Ben Gamla Palm Beach as of June 30, 2019, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The National Ben Gamla Charter School Foundation, Inc. These financial statements do not purport to and do not present fairly the financial position of The National Ben Gamla Charter School Foundation, Inc. as of June 30, 2019 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***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 through 8 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2019, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2019

**Management's Discussion and Analysis**  
Ben Gamla Palm Beach  
(A Charter School under The National Ben Gamla Charter School Foundation, Inc.)  
June 30, 2019

The corporate officers of The National Ben Gamla Charter School Foundation, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2019.

**Financial Highlights**

1. The net position of the School as of June 30, 2019 was \$1,244,581.
2. At year-end, the School had current assets on hand of \$335,473.
3. The School had a decrease in its net position of (\$14,241) for the year ended June 30, 2019.
4. The unassigned fund balance at year end was \$217,151.

**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, 2019 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

The *Statement of Net Position* presents information on all of the School's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The difference between the four 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 when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

*Fund Financial Statements*

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

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11-15 of this report.

#### Notes to 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 16-27 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$1,244,581 at the close of the fiscal year. A summary of the School's net position as of June 30, 2019 and 2018 is as follows:

	2019	2018
Cash and cash equivalents	\$ 9,824	\$ 20,134
Investment	284,000	302,000
Cash, restricted	932,787	913,936
Prepaid expenses	20,294	20,381
Deposits receivable	12,500	12,500
Due from other agencies	8,855	3,593
Capital assets, net	61,849	55,058
<b>Total Assets</b>	<b>1,330,109</b>	<b>1,327,602</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Salaries and wages payable	74,608	68,780
<b>Total Liabilities</b>	<b>85,528</b>	<b>68,780</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	61,849	55,058
Restricted by loan agreement	932,787	913,936
Unrestricted	249,945	289,828
<b>Total Net Position</b>	<b>\$ 1,244,581</b>	<b>\$ 1,258,822</b>

At the end of both years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 10,760	\$ 11,414
Capital outlay funding	118,596	179,683
Lunch program	-	131
General Revenues		
Local sources (FTE and other non specific revenues)	1,888,821	1,884,671
Other revenue	39,194	8,508
<b>Total Revenues</b>	<u>\$ 2,057,371</u>	<u>\$ 2,084,407</u>
<b>EXPENSES</b>		
Component Unit Activities:		
Instruction	\$ 1,221,359	\$ 1,121,302
Student support services	6,858	-
Instructional staff training	7,787	22,400
Board	17,819	18,412
School administration	402,382	391,861
Fiscal services	36,525	37,650
Food services	11,378	6,757
Central services	58,633	59,727
Operation of plant	271,714	264,528
Maintenance of plant	31,247	28,687
Administrative technology services	5,910	3,607
<b>Total Expenses</b>	<u>2,071,612</u>	<u>1,954,931</u>
Increase in Net Position	(14,241)	129,476
Net Position at Beginning of Year	<u>1,258,822</u>	<u>1,129,346</u>
Net Position at End of Year	<u>\$ 1,244,581</u>	<u>\$ 1,258,822</u>

Student enrollment decreased for 2019 by approximately 7 students. In the current year, the School's revenue decreased by \$27,036 and expenses increased by \$116,681. The School had a decrease in its net position of (\$14,241) for the year.

### **School Location and Lease of Facility**

The School leases a facility located at 8600 Jog Road, Boynton Beach, Florida.

### **Capital Improvement Requirements**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.



## **Achievements**

In 2019, Ben Gamla Charter School successfully completed its 8th year of operation, enrolling 244 students. The school earned a letter grade of “B” from the Florida Department of Education (FLDOE) and continues to rank among the top performing K-5 public schools in Palm Beach County.

Ben Gamla Charter School is a community of learners that honors individual student needs, varied modalities of instruction, and nurtures character traits that help to develop good citizenship. At Ben Gamla, we believe that:

- Students are our number one priority and are the focus of all decisions
- Providing high quality education is a commitment that enables all students to reach their maximum potential. It is the shared responsibility of the school, students, parents, and community.
- We believe in modeling and inspiring positive character traits. This is imperative for students to become responsible global citizens.
- We provide a safe learning environment by meeting the needs of the whole child; physical, emotional, social, and intellectual.
- Honoring each member of our learning community with respectful thoughts, words, and actions creates a loving and nurturing climate that inspires each individual to thrive. The National Ben Gamla Charter Schools, Inc. opened its first school in 2007 as the first Hebrew language charter school in the nation. The school’s mission is to deliver a first-class academic program that offers a unique bilingual, bi-literate, and bi-cultural curriculum, which prepares students to have an edge in global competition through the study of Hebrew as a second language. Ben Gamla Charter is accredited by the Southern Association of Colleges and Schools.

## **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, 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.

Most of the School’s operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School’s governmental general fund reported ending fund balance of \$1,182,732. The fund balance unassigned and available for spending at the School’s discretion is \$217,151. These funds will be available for the School’s future ongoing operations.

### Capital Assets

The School's investment in capital assets as of June 30, 2019 amounts to \$61,849 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture, fixtures and computer equipment. As of June 30, 2019, the School had no long term debt relating to capital assets.

### Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	\$ 122,500	\$ 118,598	\$ 118,596
Federal sources	11,000	11,414	10,760
General Revenues			
FTE and other nonspecific revenues	1,842,000	1,887,529	1,888,821
Charges and other revenues	36,994	38,630	39,194
Total Revenues	<u>\$ 2,012,494</u>	<u>\$ 2,056,171</u>	<u>\$ 2,057,371</u>
CURRENT EXPENDITURES			
Instruction	\$ 1,200,618	\$ 1,201,024	\$ 1,197,604
Student support services	10,000	7,922	6,858
Instructional staff training	8,000	7,931	7,787
Board	19,375	17,613	17,479
School administration	340,339	404,736	402,382
Fiscal services	37,500	36,525	36,525
Food services	26,028	11,384	11,378
Central services	67,500	59,125	58,633
Operation of plant	120,553	146,289	263,837
Maintenance of plant	24,500	31,000	31,247
Administrative technology services	10,000	6,000	5,910
Total Current Expenditures	<u>\$ 1,986,913</u>	<u>\$ 2,048,147</u>	<u>\$ 2,039,640</u>

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

### Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Broward, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position  
June 30, 2019

<b><u>Assets</u></b>	<b><u>Governmental Activities</u></b>
Current assets:	
Cash and cash equivalents	\$ 9,824
Investment	284,000
Prepaid expenses	20,294
Deposits and other receivables	12,500
Due from other agencies	8,855
Total current assets	<u>335,473</u>
Capital assets, depreciable	513,733
Less: accumulated depreciation	<u>(451,884)</u>
	<u>61,849</u>
Cash, restricted	932,787
Total Assets	<u>1,330,109</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued expenses	10,920
Salaries and wages payable	<u>74,608</u>
Total Liabilities	<u>85,528</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b>Net Position:</b>	
Net investment in capital assets	61,849
Restricted	932,787
Unrestricted	<u>249,945</u>
Total Net Position	<u>\$ 1,244,581</u>

The accompanying notes are an integral  
part of this financial statement.

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Activities  
For the year ended June 30, 2019

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 1,221,359	\$ -	\$ 10,760	\$ -	\$ (1,210,599)
Student support services	6,858	-	-	-	(6,858)
Instructional staff training	7,787	-	-	-	(7,787)
Board	17,819	-	-	-	(17,819)
School administration	402,382	-	-	-	(402,382)
Fiscal services	36,525	-	-	-	(36,525)
Food services	11,378	-	-	-	(11,378)
Central services	58,633	-	-	-	(58,633)
Operation of plant	271,714	573	-	118,596	(152,545)
Maintenance of plant	31,247	-	-	-	(31,247)
Administrative technology services	5,910	-	-	-	(5,910)
<b>Total governmental activities</b>	<b>2,071,612</b>	<b>573</b>	<b>10,760</b>	<b>118,596</b>	<b>(1,941,683)</b>
General revenues:					
FTE and other nonspecific revenues					1,888,821
Other revenues					38,621
Change in net position					(14,241)
Net position, beginning					1,258,822
Net position, ending					\$ 1,244,581

The accompanying notes are an integral  
part of this financial statement.

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2019

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 9,824	\$ -	\$ 9,824
Investment	284,000	-	284,000
Cash, restricted	932,787	-	932,787
Prepaid expenses	20,294	-	20,294
Deposits and other receivables	12,500	-	12,500
Due from other agencies	-	8,855	8,855
Due from fund	8,855	-	8,855
Total Assets	<u>1,268,260</u>	<u>8,855</u>	<u>1,277,115</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>			
Salaries and wages payable	74,608	-	74,608
Accounts payable and accrued expenses	10,920	-	10,920
Due to fund	-	8,855	8,855
Total Liabilities	<u>85,528</u>	<u>8,855</u>	<u>94,383</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Fund balance</u></b>			
Nonspendable, not in spendable form	32,794	-	32,794
Restricted	932,787	-	932,787
Unassigned	217,151	-	217,151
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,268,260</u>	<u>\$ 8,855</u>	<u>\$ 1,277,115</u>

The accompanying notes are an integral  
part of this financial statement.

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2019

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Total Fund Balance - Governmental Funds	\$ 1,182,732
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$513,733 net of accumulated depreciation of \$451,884 used in governmental activities are not financial resources and therefore are not reported in the fund.	<u>61,849</u>
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Total Net Position - Governmental Activities	<u>\$ 1,244,581</u>
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The accompanying notes are an integral part of this financial statement.

Ben Gamla Palm Beach

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the year ended June 30, 2019

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
State passed through local	\$ 1,888,821	\$ -	\$ 1,888,821
State capital outlay funding	-	118,596	118,596
Federal sources	-	10,760	10,760
Other revenue	39,194	-	39,194
Total Revenues	1,928,015	129,356	2,057,371
Expenditures:			
Current			
Instruction	1,186,844	10,760	1,197,604
Student support services	6,858	-	6,858
Instructional staff training	7,787	-	7,787
Board	17,479	-	17,479
School administration	402,382	-	402,382
Fiscal services	36,525	-	36,525
Food services	11,378	-	11,378
Central services	58,633	-	58,633
Operation of plant	145,241	118,596	263,837
Maintenance of plant	31,247	-	31,247
Administrative technology services	5,910	-	5,910
Capital Outlay:			
Other capital outlay	38,763	-	38,763
Total Expenditures	1,949,047	129,356	2,078,403
Excess (deficit) of revenues over expenditures	(21,032)	-	(21,032)
Other financing sources (uses)			
Transfers in (out)	-	-	-
Net change in fund balance	(21,032)	-	(21,032)
Fund Balance at beginning of year	1,203,764	-	1,203,764
Fund Balance at end of year	\$ 1,182,732	\$ -	\$ 1,182,732

The accompanying notes are an integral part of this financial statement.

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2019

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Net Change in Fund Balance - Governmental Funds \$ (21,032)

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. This is the amount by which depreciation expense of \$31,972 differed from capital outlays of \$38,763.

6,791

Change in Net Position of Governmental Activities \$ (14,241)

The accompanying notes are an integral  
part of this financial statement.



Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position - Fiduciary Funds  
June 30, 2019

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<u>Assets</u>	<u>Agency Fund</u>
Cash	\$ 3,682
Total Assets	3,682
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Due to students and clubs	3,682
Total Liabilities	3,682
<u>Deferred Inflows of Resources</u>	-
<u>Net position</u>	\$ -

The accompanying notes are an integral  
part of this financial statement.

## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Ben Gamla Palm Beach (the "School"), is a charter school under The National Ben Gamla Charter School Foundation, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of The National Ben Gamla Charter School Foundation, Inc., which is composed of five members and also governs other charter schools. The board has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Palm Beach County, Florida. The current charter expires on June 30, 2032, and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reason set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Boynton Beach, Florida. It is approved to serve students in kindergarten through eighth grade for the 2018-2019 school year. These financial statements are for the year ended June 30, 2019, when on average 244 students were enrolled for the school year.

### 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

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

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 such as Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not properly included with program revenues are reported as general revenues.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### *Fund Financial Statements*

Fund financial statements are provided for governmental funds and fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of sources, equity, revenues and expenditures. The School reports the following major governmental funds with all non-major funds aggregated in a single column:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Additionally, the School reports the following fiduciary fund types:

*Agency Fund* – Schools internal funds accounts for resources of the schools' internal fund which is used to administer monies collected at the schools in connection with school, student activities, class, and club activities.

### Measurement Focus and Basis of Accounting

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 Guidance*.

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

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, 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.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

“Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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. Charges for services and fees are recognized when cash is collected as amounts are not measurable. 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.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

### Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. 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, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

### Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and addresses specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School has adopted GASB Codification Section 3100 *Fair Value Measurement and Application* (see Note 3).

### Inter-fund Transfers

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.

### Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. 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:

Improvements	5 Years
Furniture, Equipment and Software	5 Years
Textbooks	3 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. Employees may "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

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 sick days available to be used in future benefits 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Deferred Outflows/Inflows of Resources

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

Revenue Sources

Revenues for current operations are received primarily from the State through the District 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 District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

In addition, the School receives State funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal 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.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

### Net position and Fund balance classifications

#### *Government-wide financial statements*

Equity is classified as net position and displayed in three (3) 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) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment 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 inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). All nonspendable balances related to assets not in spendable form.
- 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. Restricted fund balance represents investment in commercial time deposits that serve as collateral for an outstanding loan obligation (Note 5).
- 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 are 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First Non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as unassigned fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 28, 2019, which is the date the financial statements were available to be issued.



Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)  
Notes to Financial Statements  
June 30, 2019

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**Note 2 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the period ended June 30, 2019:

	Balance 07/01/18	Additions	Retirements / Reclassification	Balance 06/30/19
Capital Assets, depreciable:				
Buildings and improvements	\$ 54,178	\$ -	\$ -	\$ 54,178
Computer equipment and software	178,684	-	(10,489)	168,195
Furniture, equipment and textbooks	352,832	38,763	(100,235)	291,360
Total Capital Assets	<u>585,694</u>	<u>38,763</u>	<u>(110,724)</u>	<u>513,733</u>
Less Accumulated Depreciation:				
Buildings and improvements	(53,341)	(837)	-	(54,178)
Computer equipment and software	(151,491)	(9,234)	10,489	(150,236)
Furniture, equipment and textbooks	(325,804)	(21,901)	100,235	(247,470)
Total Accumulated Depreciation	<u>(530,636)</u>	<u>(31,972)</u>	<u>110,724</u>	<u>(451,884)</u>
Capital Assets, net	<u>\$ 55,058</u>	<u>\$ 6,791</u>	<u>\$ -</u>	<u>\$ 61,849</u>

For the fiscal year ended June 30, 2019, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 23,755
Operation of plant	7,877
Board	340
Total Depreciation Expense	<u>\$ 31,972</u>

**Note 3 – Cash, Cash Equivalents and Investments**

Deposits

The School maintains its cash and cash equivalents in one financial institution. As of June 30, 2019, the School's deposits consisted of cash balances of \$18,006.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under The National Ben Gamla Charter School Foundation, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of The National Ben Gamla Charter School Foundation, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was approximately \$27,636; including fiduciary account bank balances.

### **Note 3 – Cash, Cash Equivalents and Investments (continued)**

#### Investments

The School categorizes its fair value measurements within the fair value hierarchy established by GASB Codification Section 3100 *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs

At June 30, 2019, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$380,000 valued using Level 2 inputs.

The government money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of July 31, 2019, maturities of the fund's portfolio holdings are approximately 81% within 30 days.

#### Credit Risk

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2019, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

### **Note 4 – Education Service and Support Provider**

Academica Broward, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting, financial reporting and virtual education services.

**Note 4 – Education Service and Support Provider (continued)**

The agreement between the School and Academica Broward, LLC calls for a fee on a per student basis.

The agreement is with The National Ben Gamla Charter School Foundation, Inc. for a period of five years, through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2019, the School incurred \$109,575 in fees.

Academica Broward, LLC is located at 6340 Sunset Drive, Miami, Florida 33143.

**Note 5 – Transactions with and Other Divisions of The National Ben Gamla Charter School Foundation, Inc.**

The National Ben Gamla Charter School Foundation, Inc. charges its affiliated charter schools an assessment for shared corporate costs and accreditation expenses. Ben Gamla Palm Beach paid The National Ben Gamla Charter School Foundation, Inc. \$37,275 in connection with these charges during the year.

**Restricted Cash**

The School entered into a commercial time deposit with a financial institution in the amount of \$932,787 accruing interest at an annual percentage yield of 2.3%. The deposit renews in 60 day intervals and matures on January 23, 2023. All accrued interest will be paid at maturity. The deposit serves as collateral on a loan obligation of The National Ben Gamla Charter School Foundation, Inc. with a maturity date of January 23, 2023, and is classified as restricted on the statements of net position and fund balance in the basic financial statements.

**Note 6 – Commitments, Contingencies and Concentrations**

The School entered into a lease agreement with Temple Torat of West Boynton Beach to use the entire second floor of a building and have access to the playground, parking and other premises.

Under the agreement, current minimum annual rental payments are \$78,750. The agreement continues through June 30, 2021 with one five-year option to renew. The agreement includes additional charges for utilities, janitorial and maintenance services.

In addition, the School has a facility usage agreement with the Jewish Community Center of the Greater Palm Beaches for the use of a gymnasium and other recreational facilities. The agreement is for \$20,000 annually for a period of five years. The current renewal period expires on November 26, 2022.

**Note 6 – Commitments, Contingencies and Concentrations (continued)**

For 2019, rent expense including direct facility expenses paid totaled \$160,105. Future minimum commitments under the lease is as follows:

<u>Year</u>		
2020	\$	103,049
2021	\$	103,778
2022	\$	92,306

**Contingencies and Concentrations**

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations.

Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of up to 5% of the qualifying revenues of the School up to and including 250 students. For the year ended June 30, 2019, administrative fees withheld by the School District totaled \$36,961.

**Note 7 – 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. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with ADP TotalSource Group, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

**Note 8 – Defined Contribution Retirement Plan**

The School's personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 50% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan \$12,173 for the year ended June 30, 2019. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.

## REQUIRED SUPPLEMENTARY INFORMATION

Ben Gamla Palm Beach  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2019

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 1,842,000	\$ 1,887,529	\$ 1,888,821
Charges for services	1,800	780	-
Other revenue	35,194	37,850	39,194
Total Revenues	<u>1,878,994</u>	<u>1,926,159</u>	<u>1,928,015</u>
EXPENDITURES			
Current:			
Instruction	1,189,618	1,189,610	1,186,844
Student support services	10,000	7,922	6,858
Instructional staff training	8,000	7,931	7,787
Board	19,375	17,613	17,479
School administration	340,339	404,736	402,382
Fiscal services	37,500	36,525	36,525
Food services	26,028	11,384	11,378
Central services	67,500	59,125	58,633
Operation of plant	120,553	146,289	145,241
Maintenance of plant	24,500	31,000	31,247
Administrative technology services	10,000	6,000	5,910
Total Current Expenditures	<u>1,853,413</u>	<u>1,918,135</u>	<u>1,910,284</u>
Excess of Revenues			
Over Current Expenditures	<u>25,581</u>	<u>8,024</u>	<u>17,731</u>
Capital Outlay	<u>25,000</u>	<u>39,000</u>	<u>38,763</u>
Total Expenditures	<u>1,878,413</u>	<u>1,957,135</u>	<u>1,949,047</u>
Excess/(Deficit) of Revenues Over Expenditures	581	(30,976)	(21,032)
Other financing sources (uses):			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	581	(30,976)	(21,032)
Fund Balance at beginning of year	<u>1,203,764</u>	<u>1,203,764</u>	<u>1,203,764</u>
Fund Balance at end of year	<u>\$ 1,204,345</u>	<u>\$ 1,172,788</u>	<u>\$ 1,182,732</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

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To the Board of Directors of  
Ben Gamla Palm Beach  
Boynton Beach, 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, each major fund, and the aggregate remaining fund information of Ben Gamla Palm Beach (the "School") as of, and for the year ended June 30, 2019, 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 28, 2019.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter dated September 28, 2019 pursuant to Chapter 10.850, Rules of the Auditor General.

### 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2019



## MANAGEMENT LETTER

To the Board of Directors of  
Ben Gamla Palm Beach  
Boynton Beach, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Ben Gamla Palm Beach, Boynton Beach as of and for the year ended June 30, 2019 and have issued our report thereon dated September 28, 2019.

### **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.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 28, 2019, 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 and recommendations made in the preceding annual financial audit report.

### **Official Title**

Section 10.854.(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Ben Gamla Palm Beach, (W/L#3941).

## **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 Ben Gamla Palm Beach has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Ben Gamla Palm Beach 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 Ben Gamla Palm Beach. It is management's responsibility to monitor Ben Gamla Palm Beach's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have no 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 Ben Gamla Palm Beach maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In Connection with our audit, we determined that Ben Gamla Palm Beach maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, require 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 note 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 Florida House of Representatives, the Florida Auditor General, School Board of Palm Beach County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2019