

**THE SEASIDE SCHOOL, INC.
(A COMPONENT UNIT OF WALTON COUNTY
SCHOOL DISTRICT)**

FINANCIAL STATEMENTS

JUNE 30, 2020

THE SEASIDE SCHOOL, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
The Seaside School, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund of The Seaside School, Inc. (a component unit of the Walton County School District) as of and for the year ended June 30, 2020, 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

The Seaside School, Inc.'s 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of The Seaside School, Inc. as of June 30, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

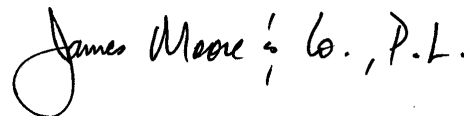
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents 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 August 31, 2020 on our consideration of The Seaside School, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Seaside School, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
August 31, 2020

THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

This discussion and analysis (MD&A) of The Seaside School, Inc.'s ("the School") financial condition provides an overview of financial activity, identifies changes in financial position and assists the reader in focusing on significant financial issues. The primary purpose of the School is to provide an educational program for its students. It is important to the long-term existence of the School to maintain its financial health. Net position is accumulated only to the extent required to ensure that there are sufficient reserve funds for future operations and for new capital needs.

The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

HIGHLIGHTS

Financial Highlights

- Net position totaled \$(297,790)
- Net position decreased \$251,894
- Capital assets totaled \$49,663

School Highlights

During the 2019-2020 fiscal year, the School accomplished the following:

Once again rated by the State of Florida as an "A" school, the School was once again awarded \$34,959 in School Recognition money in fiscal year ending June 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide financial information about the governmental activities of the Primary Government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating.

THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(Continued)

The government-wide statements present the School's activities in two categories:

- Governmental activities - This represents all of the School's services. Support functions such as transportation and administration are also included. State's education finance program provides most of the resources that support these activities.
- Component units - The School presents one separate legal entity in this report, Seaside School Foundation, Inc. Although a legally separate organization, the component unit is included in this report because it meets the criteria for inclusion provided by the governmental accounting standards board. Separately internally issued financial statements for this component unit are available at the School's administrative office.

Over a period of time, changes in the School's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the School's student enrollment and the condition of the School's capital assets including its school buildings and administrative facilities.

FUND FINANCIAL STATEMENTS

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

All of the School's funds are classified within the following categories:

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School's own programs.

This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

FUND FINANCIAL STATEMENTS (Continued)

The governmental fund statements provided a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide detailed information about the School's most significant funds, not the School as a whole. The School's major funds are the General Fund and Capital Projects Fund.

The School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison schedule has been provided for the General Fund and Capital Projects Fund.

NOTES TO FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's net position as of June 30, 2020, as compared to June 30, 2019:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Current and other assets	\$ 1,538,255	\$ 1,033,933
Capital assets	49,663	64,372
Total assets	<u>1,587,918</u>	<u>1,098,305</u>
Deferred outflows of resources	<u>600,183</u>	<u>684,029</u>
 LIABILITIES		
Current and other liabilities	437,327	162,625
Long-term liabilities	1,908,471	1,503,234
Total liabilities	<u>2,345,798</u>	<u>1,665,859</u>
Deferred inflows of resources	<u>140,093</u>	<u>162,371</u>
 NET POSITION		
Net investment in capital assets	49,663	64,372
Restricted	674,699	674,699
Unrestricted	(1,022,152)	(784,967)
Total net position	<u>\$ (297,790)</u>	<u>\$ (45,896)</u>

**THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS
(Continued)**

Governmental activities. During the current fiscal year, net position for governmental activities decreased \$297,790 from the prior fiscal year for an ending net position of \$(297,790). The key element of this change is due to changes in the net pension liability. For more detailed information, see the accompanying Statement of Net Position as noted in the table of contents.

Operating results for the year ended June 30, 2020 as compared to June 30, 2019, are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
REVENUES		
Program revenues:		
Operating grants and contributions	\$ 298,778	\$ 239,273
General revenues:		
Walton County School District	3,136,144	3,549,440
Investment earnings	9,217	8,899
Other	192,190	17,306
Total revenues	<u>3,636,329</u>	<u>3,814,918</u>
EXPENSES		
Program expenses:		
Educational instruction	<u>3,888,223</u>	<u>4,045,593</u>
Change in net position	(251,894)	(230,675)
Net deficit, beginning of year	(45,896)	231,056
Restatement of net position	-	(46,277)
Net position (deficit), end of year	<u>\$ (297,790)</u>	<u>\$ (45,896)</u>

For more detailed information, see the accompanying Statement of Activities on as noted in the table of contents.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Major Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, the total fund balance was \$638,229. The fund balance increased by \$441,620 in fiscal year 2019-2020. The primary cause for the increase in the general fund balance was due funding received from the PPP loan.

The Capital Projects Fund had a total fund balance \$674,699. The fund balance remained consistent in fiscal year 2020 as capital projects funding received was expended.

THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS (Continued)

General Fund Budgetary Highlights

Original budget compared to final budget. The major differences between the original budget and the final amended budget were due to the following:

- Revenues were slightly higher than originally anticipated and the original budget was amended as necessary.

Actual amounts compared to final budget. Actual amounts were consistent with final budgeted amounts.

Capital Asset Administration

Capital assets. The School's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$49,663 (net of accumulated depreciation). This investment in capital assets includes building, technology equipment, furniture, fixtures, equipment and vehicles.

Additional information on The Seaside School, Inc.'s capital assets can be found in the Notes to Financial Statements as listed in the table of contents.

Long-term Debt. At the end of the current fiscal year, The School had total debt outstanding of \$1,538,171 related to the net pension liability, \$477,000 related to the Payroll Protection Plan loan payable, and \$105,300 related to compensated absences.

Additional information on The School's long-term debt can be found in the Notes to Financial Statements as listed in the table of contents.

FUTURE FINANCIAL FACTORS

The Seaside School, Inc. is a Charter school sponsored by the Walton County School District. The initial Charter was granted for three years and was extended through August 12, 2014. A renewal agreement has been signed with Walton County School District for an additional 15 years through August 12, 2029.

The Seaside School, Inc. is rated an "A" School and has received overwhelming positive public support. Donations and fundraising opportunities are also in the plans to assist the School's financial needs.

THE SEASIDE SCHOOL, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, parents and creditors with a general overview of the School's finances, and to demonstrate the School's accountability for the money it receives. If readers have any questions about this report or need additional financial information, contact the Principal, at The Seaside School, Inc., 10 Smolian Circle, Santa Rosa Beach, FL 32459.

**THE SEASIDE SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities	Component Unit
ASSETS		
Cash and cash equivalents	\$ 1,487,149	\$ 1,402,114
Grant, pledges and other receivables	21,104	414,638
Due from component unit	14,000	-
Investments	-	135,788
Prepaid items	16,002	-
Capital assets, not being depreciated	-	1,409,128
Capital assets, being depreciated, net	49,663	1,239,361
Total assets	\$ 1,587,918	\$ 4,601,029
DEFERRED OUTFLOWS OF RESOURCES		
Related to changes in the net pension liability	\$ 600,183	\$ -
LIABILITIES		
Accounts payable and accrued expense	\$ 211,430	\$ 1,240
Due to primary government	-	14,000
Due to fiduciary fund	9,283	-
Unearned revenues	4,614	-
Noncurrent liabilities:		
Due within one year	212,000	8,322
Due in more than one year	370,300	13,078
Net pension liability	1,538,171	-
Total liabilities	\$ 2,345,798	\$ 36,640
DEFERRED INFLOWS OF RESOURCES		
Related to changes in the net pension liability	\$ 140,093	\$ -
NET POSITION		
Net investment in capital assets	\$ 49,663	\$ 2,648,489
Restricted:		
Capital outlay	674,699	-
Unrestricted	(1,022,152)	1,915,900
Total net position (deficiency)	\$ (297,790)	\$ 4,564,389

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

**THE SEASIDE SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Unit
Primary government					
Governmental activities:					
Instruction and instruction related services	\$ 2,292,396	\$ -	\$ 44,574	\$ (2,247,822)	
School administration	722,410	-	-	(722,410)	
Student and instructional support services	289,021	-	-	(289,021)	
Fiscal services	90,000	-	-	(90,000)	
Pupil transportation services	49,750	-	-	(49,750)	
Operation of plant	233,177	-	-	(233,177)	
Facilities, acquisitions, and equipment	168,000	-	254,204	86,204	
Total governmental activities	<u>\$ 3,844,754</u>	<u>\$ -</u>	<u>\$ 298,778</u>	<u>(3,545,976)</u>	
Component unit					
The Seaside School Building Foundation, Inc.	<u>\$ 2,508,929</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (2,508,929)</u>
General revenues:					
Walton County School District				3,136,144	-
Grants and contributions not restricted to specific purposes				-	1,556,793
Rental income				-	231,590
Other				19,578	3,726
Interest and Investment earnings				9,217	31,081
Return of donations				-	(212,506)
Transfers between primary government and component unit				172,612	(172,612)
Transfer to fiduciary fund				(43,469)	-
Total general revenues and transfers				<u>3,294,082</u>	<u>1,438,072</u>
Change in net position				<u>(251,894)</u>	<u>(1,070,857)</u>
Net position (deficiency), beginning of year				(45,896)	5,635,246
Net position (deficiency), end of year				<u>\$ (297,790)</u>	<u>\$ 4,564,389</u>

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

THE SEASIDE SCHOOL, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,487,149	\$ -	\$ 1,487,149
Grant and other receivables	21,104	-	21,104
Prepaid items	16,002	-	16,002
Due from component unit	14,000	-	14,000
Due from other funds	-	722,845	722,845
Total Assets	\$ 1,538,255	\$ 722,845	\$ 2,261,100
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 167,898	\$ 43,532	\$ 211,430
Unearned revenues	-	4,614	4,614
Due to other funds	732,128	-	732,128
Total liabilities	900,026	48,146	948,172
Fund Balances:			
Nonspendable			
Prepaid items	16,002	-	16,002
Restricted			
Capital outlay	-	674,699	674,699
Unassigned	622,227	-	622,227
Total fund balances	638,229	674,699	1,312,928
Total Liabilities and Fund Balances	\$ 1,538,255	\$ 722,845	\$ 2,261,100

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

THE SEASIDE SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Intergovernmental			
Florida education finance program	\$ 3,136,144	\$ -	\$ 3,136,144
Capital outlay funds	-	185,119	185,119
Other state revenue	-	5,495	5,495
Local	44,574	-	44,574
Interest income	-	9,217	9,217
Other	17,623	1,955	19,578
Total revenues	<u>3,198,341</u>	<u>201,786</u>	<u>3,400,127</u>
Expenditures			
Instruction and instruction related services	2,156,144	-	2,156,144
School administration	655,850	8,799	664,649
Student and instructional support services	271,738	-	271,738
Fiscal services	90,000	-	90,000
Pupil transportation services	49,750	-	49,750
Operation of plant	192,369	140,000	332,369
Total expenditures	<u>3,415,851</u>	<u>148,799</u>	<u>3,564,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(217,510)</u>	<u>52,987</u>	<u>(164,523)</u>
Other financing sources (uses)			
Transfers from (to) component unit	292,278	(119,666)	172,612
Transfers in	-	66,679	66,679
Transfers out	(110,148)	-	(110,148)
Debt proceeds	477,000	-	477,000
Total other financing sources (uses)	<u>659,130</u>	<u>(52,987)</u>	<u>606,143</u>
Net change in fund balances	<u>441,620</u>	<u>-</u>	<u>441,620</u>
Fund balances, beginning of year	196,609	674,699	871,308
Fund balances, end of year	<u>\$ 638,229</u>	<u>\$ 674,699</u>	<u>\$ 1,312,928</u>

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

THE SEASIDE SCHOOL, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

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

Fund balances - total governmental funds		\$ 1,312,928
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		49,663
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(105,300)	
Notes Payable	(477,000)	
		(582,300)
Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows	600,183	
Net pension liability	(1,538,171)	
Deferred inflows	(140,093)	
		(1,078,081)
Net position of governmental activities		<u><u>\$ (297,790)</u></u>

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

THE SEASIDE SCHOOL, INC.
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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

Net change in fund balances-total governmental funds		<u>\$ 441,620</u>
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.		
Changes in:		
Compensated absences	563	
Changes in net pension liability and deferred inflows/outflows related to pensions	<u>(202,368)</u>	(201,805)
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 and reported as depreciation expense. This is the amount of depreciation expense in the current period.		
		(14,709)
Governmental funds report debt proceeds as revenues. However, in the statement of activities, proceeds from debt are not reported. This is amount of proceeds from debt received in the current period.		
		(477,000)
 Change in net position of governmental activities		 <u><u>\$ (251,894)</u></u>

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

THE SEASIDE SCHOOL, INC.
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 40,598
Due from other fund	9,283
Total assets	<u>\$ 49,881</u>
LIABILITIES	
Accounts payable	\$ 3,606
Funds held for School internal accounts	46,275
Total liabilities	<u>\$ 49,881</u>

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

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of The Seaside School, Inc. (the "School"), which affect significant elements of the accompanying basic financial statements:

(a) **Reporting entity**—The Seaside School, Inc. was created on February 14, 1994, to operate as a charter school under Florida Statutes. The School entered into a contract with Walton County District School Board ("District") to provide an educational program for middle and high school public school students. The School receives a majority of its funding through the District based on a formula of student attendance which is identical to that of other Walton County, Florida public schools. The initial Charter was granted for three years and was extended through August 12, 2014. A renewal agreement has been signed with Walton County School District for an additional 15 years through August 12, 2029. The charter may be renewed in annual increments up to fifteen years by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. The Seaside School, Inc. is considered a component unit of the Walton County District School Board.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described by the Governmental Accounting Standards Board (GASB). The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component unit is included within the School's reporting entity:

Seaside School Foundation, Inc. (the "Foundation") was organized under the laws of the State of Florida on January 17, 2008. The Foundation was incorporated as a nonprofit corporation under state law. The Foundation was organized exclusively for educational and charitable purposes and to build, equip, support, maintain, staff, and operate a not for profit charter school facility at The Seaside School, Inc. Based upon its formation purpose, the Foundation was determined to be a component unit of the School and is presented using discrete presentation within the government-wide financial statements.

Complete financial statements of the component unit can be obtained directly from the School's administrative office, 10 Smolian Circle, Santa Rosa Beach, FL 32459.

(b) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, are normally supported by intergovernmental revenues, and other nonexchange transactions.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Basis of presentation – government wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include operating grants and contributions. Items not properly included among program revenues, such as monies received from the Walton County District School Board, are reported as general revenues.

The Seaside School Foundation, Inc., shown as a discretely presented component unit, uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about the government's funds. Separate statement for the fund category, governmental, is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The School uses the following governmental funds:

General Fund—The general fund is used to record the general operations of the School pertaining to education and those operations not provided for in other funds.

Capital Projects Fund—The capital projects fund is used to account for financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and major maintenance projects.

Additionally, the School reports the following Fiduciary Fund:

Agency Fund—Agency fund are custodial in nature and do not involve measurement of results of operations. The School's agency fund accounts for classroom support, special area programs and student activities.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues, such as monies received from the Walton County School Board, are reported as general revenues.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

(f) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School's governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption.

(g) **Cash and cash equivalents**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Income taxes**—The School and the component unit are exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The School files income tax returns in the U.S. Federal jurisdiction. The School’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The School has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the School.

(i) **Capital assets**—Capital assets are defined by the School as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Property, plant and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Furniture and equipment	5 – 10
Buildings and improvements	20 – 50
Software	3 – 5

(j) **Revenue sources**—Revenues for current operations are received primarily from the Walton County District 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(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the Walton County District School Board. Under the provisions of Section 1011.62, Florida Statutes, the Walton County District School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during designated FTE student survey periods.

(k) **Use of estimates**—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Fund Balance**—The School follows GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a school’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted fund balance—includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance—includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the School’s Board of Directors. These amounts cannot be used for any other purpose unless the School’s Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance—includes amounts that are constrained by the School’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School’s Board of Directors or through the School’s Board of Directors delegating this responsibility to the Principal through the budgetary process.

Unassigned fund balance—includes the residual fund balances for the General Fund and Other Governmental Funds.

The School would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

(m) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS’s fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Deferred outflows/inflows of resources**— In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Currently, the only item in this category consisted of deferred amounts related to pension.

(o) **Unearned revenues**— Race registrations received in advance in the next years races are recorded as unearned revenues until the race occurs. Revenues will be recognized when the race occurs.

(p) **Contributions receivable** – Pledges to give in future periods are initially recorded at estimated fair value determined using the discounted resent value of expected cash flows, net of an allowance for uncollectable pledges. The discount rates are determined at the time of the pledge is made.

(2) **Capital Assets:**

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 01, 2019</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2020</u>
Primary Government:				
Capital assets, being depreciated:				
Improvements other than Buildings	\$ 21,053	\$ -	\$ -	\$ 21,053
Buildings and fixed equipment	53,118	-	-	53,118
Leasehold improvements	77,495	-	-	77,495
Furniture, fixtures, and equipment	293,476	-	-	293,476
Computer software	44,312	-	-	44,312
Total capital assets, being depreciated	<u>489,454</u>	<u>-</u>	<u>-</u>	<u>489,454</u>
Less accumulated depreciation:				
Improvements other than Buildings	(19,616)	(1,053)	-	(20,669)
Buildings and fixed equipment	(30,863)	(1,611)	-	(32,474)
Leasehold improvements	(42,468)	(8,041)	-	(50,509)
Furniture, fixtures, and equipment	(290,264)	(3,212)	-	(293,476)
Computer software	(41,871)	(792)	-	(42,663)
Total accumulated depreciation	<u>(425,082)</u>	<u>(14,709)</u>	<u>-</u>	<u>(439,791)</u>
Capital assets being depreciated, net	<u>\$ 64,372</u>	<u>\$ (14,709)</u>	<u>\$ -</u>	<u>\$ 49,663</u>

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(2) **Capital Assets:** (Continued)

	<u>Balance</u> <u>July 01, 2019</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2020</u>
Component Unit:				
Capital asset not being depreciated:				
Construction in process	\$ 346,228	\$ 246,900	\$ -	\$ 593,128
Land	816,000	-	-	816,000
Total Capital asset not being depreciated	<u>1,162,228</u>	<u>246,900</u>	<u>-</u>	<u>1,409,128</u>
Capital assets, being depreciated:				
Buildings and fixed assets	1,667,055	26,378	(7,844)	1,685,589
Furniture, fixtures, and equipment	194,212	19,535	-	213,747
Total capital assets, being depreciated	<u>1,861,267</u>	<u>45,913</u>	<u>(7,844)</u>	<u>1,899,336</u>
Less accumulated depreciation	<u>(591,215)</u>	<u>(70,121)</u>	<u>1,361</u>	<u>(659,975)</u>
Capital assets being depreciated, net	<u>1,270,052</u>	<u>(24,208)</u>	<u>(6,483)</u>	<u>1,239,361</u>
Capital assets, net	<u>\$ 2,432,280</u>	<u>\$ 222,692</u>	<u>\$ (6,483)</u>	<u>\$ 2,648,489</u>

Capital assets depreciation expense was charged to governmental functions as follows:

School administration	\$ 14,709
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(3) **Interfund Balances and Transfers**

The following is a summary of amounts reported in the governmental fund financial statements. Interfund loans were used rather than maintaining separate cash accounts for each fund or a pooled cash system:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	<u>\$ 722,845</u>
Fiduciary Fund	General Fund	<u>\$ 9,283</u>

Transfers from/to other funds for the year ended June 30, 2020, were as follows:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Reason for Transfer</u>
Capital Projects Fund	\$ 66,679	Transfer from General Fund to aid in operation cost for Internal Funds for the current year.
Fiduciary Fund	\$ 43,469	Transfer from General Fund to aid in operation cost for Internal Funds for the current year.

Transfers between the primary government and the component unit for the year ended June 30, 2020, were as follows:

<u>Received by</u>	<u>Amount</u>	<u>Reason for Transfer</u>
Primary Government - General Fund	\$ 172,612	Transfer from component unit to primary government to aid in operation cost for the current year.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(4) Operating Lease:

The School is located on approximately 1/2 acre of land in Santa Rosa Beach, Walton County, Florida. The property, which includes land and building, was donated by the Seaside Community Development Corporation to the Foundation in December 2012. The Foundation leases the property to the School through a lease expiring in June 2024 for \$168,000 per year. Lease payments totaled \$168,000 for the year ended June 30, 2020.

(5) Long-Term Debt:

Long-term liability activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental Activities:					
PPP Loan- School	\$ -	\$ 477,000	\$ -	\$ 477,000	\$ 212,000
Compensated Absences	105,863	-	563	105,300	-
Total Governmental Activities:	<u>\$ 105,863</u>	<u>\$ 477,000</u>	<u>\$ 563</u>	<u>\$ 582,300</u>	<u>\$ 212,000</u>
Component Unit:					
PPP Loan- Foundation	<u>\$ -</u>	<u>\$ 21,400</u>	<u>\$ -</u>	<u>\$ 21,400</u>	<u>\$ 8,322</u>

During the year ended June 30, 2020, the School and Foundation received loan proceeds in the amount of \$477,000 and \$21,400, pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable after eight weeks if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the company maintains its payroll levels as described in the CARES Act. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. Management intends to utilize loan proceeds for purposes consistent with the PPP and believes substantially all of the loan will be forgiven, though it is reasonably possible that conditions could arise that would make the School and Foundation ineligible for forgiveness of the loan, in whole or in part.

Future maturities of long-term debt are as follows:

	<u>School</u>			<u>Foundation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2021	\$ 212,000	\$ 4,947	\$ 216,947	\$ 8,322	\$ 211	\$ 8,533
2022	265,000	1,215	266,215	13,078	65	13,143
Total	<u>\$ 477,000</u>	<u>\$ 6,162</u>	<u>\$ 483,162</u>	<u>\$ 21,400</u>	<u>\$ 276</u>	<u>\$ 21,676</u>

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the School’s financial statements:

(a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

(b) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019

(7) In-Kind Donations

The Seaside School Foundation, Inc. receives non-cash items or services in exchange for sponsorships of a race that the Foundation holds every year. The amounts recorded are the fair market value of the sponsorships and total \$470,973 for the year ended June 30, 2020.

The School received in-kind space from the Foundation totaling and \$63,590, which is equal to the fair value of the Foundation’s lease agreement for the same property with an outside entity.

(8) Risk Management:

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

(9) Significant Funding Source:

The School receives a substantial amount of its funding from the Walton County District School Board. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the School’s programs and activities.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System**

Plan Description and Administration

The School participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the School's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the School are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System:** (Continued)

Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System:** (Continued)

Contributions

The School participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at June 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Through June 30, 2019</u>	<u>After June 30, 2019</u>
Regular Class	8.26%	8.47%
DROP	14.03%	14.60%
Senior Management	24.06%	25.41%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

For the plan year ended June 30, 2019, actual contributions made for employees participating in FRS and HIS were as follows:

School Contributions – FRS	\$ 86,766
School Contributions – HIS	28,511
Employee Contributions – FRS	51,526

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, the School reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 963,678
HIS	574,493
Total	<u>\$ 1,538,171</u>

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System:** (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2020 and June 30, 2019, the School's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2020	2019
FRS	.002798249%	.002862688%
HIS	.005134442%	.005055819%

For the plan year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	266,130
HIS		75,412
Total	\$	341,542

Deferred outflows/inflows related to pensions:

At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,158	\$ (598)	\$ 6,978	\$ (703)
Changes of assumptions	247,514	-	66,521	(46,954)
Net different between projected and actual investment earnings	-	(53,316)	371	-
Change in proportionate share	29,284	(37,641)	66,361	(881)
Contributions subsequent to measurement date	96,528	-	29,468	-
	\$ 430,484	\$ (91,555)	\$ 169,699	\$ (48,538)

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System:**

The above amounts for deferred outflows of resources for contributions related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2021	\$	123,657
2022		90,044
2023		71,450
2024		29,971
2025		11,102
Thereafter		7,870
Total	\$	<u>334,094</u>

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2003, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(10) **Florida Retirement System:** (Continued)

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2018, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
Total	<u>100.0%</u>	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the School calculated using the current discount rates, as well as what the School’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.90%	\$ 1,665,878	\$ 963,678	\$ 377,222
HIS	3.50%	655,813	574,493	506,762

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(11) **Investments:**

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2020, The Foundation has \$135,788 in mutual funds valued using quoted market prices (Level 1 inputs).

(12) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned. At year end, the carrying amount of the School's deposits was \$1,487,149 and the bank balance was \$1,535,824. Of the bank balance, \$250,000 was covered by Federal depository insurance or by collateral held by the School's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

At year end, the carrying amount of the Foundation's deposits was \$1,382,074 and the bank balance was \$1,382,074. Of the bank balance, \$250,000 was covered by Federal depository insurance.

(13) **Pledges Receivable:**

The Foundation received significant pledges in prior years related to expansion projects. In the current year, the Foundation notified donors that it would no longer move forward with the elementary school portion of the expansion. As a result, management returned amounts requested to donors and well as increased the provision for allowance for doubtful accounts on remaining pledges. Amounts as of June 30, 2020 were as follows:

	As of June 30, 2020
Pledge receivable	\$ 786,599
Allowance for doubtful accounts	(371,961)
Pledge receivable, net	\$ 414,638
For the year ended June 30, 2020	
Donations returned	\$ 212,506
Bad debt expense	\$ 734,297

THE SEASIDE SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(14) **Subsequent Events:**

The Seaside School, Inc. has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 31, 2020, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(15) **Contingent Liabilities:**

During the year ending June 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while School management cannot quantify the financial and other impact to the school as of August 31, 2020, management believes that a material impact on the School's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

THE SEASIDE SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Florida education finance program	\$ 3,118,058	\$ 3,136,144	\$ 3,136,144	\$ -
Local	52,017	44,574	44,574	-
Other	5,000	17,623	17,623	-
Total revenues	<u>3,175,075</u>	<u>3,198,341</u>	<u>3,198,341</u>	<u>-</u>
Expenditures				
Instruction and instruction related services	2,189,056	2,156,144	2,156,144	-
School administration	680,120	655,850	655,850	-
Student and Instructional Support Services	297,093	271,738	271,738	-
Fiscal services	96,905	90,000	90,000	-
Pupil transportation services	47,880	49,750	49,750	-
Operation of plant	168,149	192,369	192,369	-
Total expenditures	<u>3,479,203</u>	<u>3,415,851</u>	<u>3,415,851</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(304,128)</u>	<u>(217,510)</u>	<u>(217,510)</u>	<u>-</u>
Other financing sources (uses)				
Transfers from component unit	347,528	292,278	292,278	-
Transfers out	-	(110,148)	(110,148)	-
Debt Proceeds	-	477,000	477,000	-
Total other financing sources	<u>347,528</u>	<u>659,130</u>	<u>659,130</u>	<u>-</u>
Net change in fund balances	<u>43,400</u>	<u>441,620</u>	<u>441,620</u>	<u>-</u>
Fund balances, beginning of year	196,609	196,609	196,609	-
Fund balances, end of year	<u>\$ 240,009</u>	<u>\$ 638,229</u>	<u>\$ 638,229</u>	<u>\$ -</u>

The accompanying notes to required supplementary information is an integral part of this statement.

THE SEASIDE SCHOOL, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

(1) **Summary of Significant Accounting Policies:**

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual are presented using the School’s budget format for the general fund.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors. Budgets are presented on the modified accrual basis of accounting.

THE SEASIDE SCHOOL, INC.
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEARS AS OF JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)						
Proportion of the net pension liability (asset)	0.002798249%	0.002862688%	0.003004121%	0.002938008%	0.003115001%	0.002618220%
Proportionate share of the net pension liability (asset)	\$ 963,678	\$ 862,257	\$ 888,599	\$ 741,849	\$ 402,347	\$ 159,750
Covered payroll	1,717,534	1,651,677	1,566,566	1,521,951	1,426,543	1,184,201
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.11%	52.20%	56.72%	48.74%	28.20%	13.49%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)						
Proportion of the net pension liability (asset)	0.005134442%	0.005055819%	0.004914738%	0.004930079%	0.004702094%	0.003988222%
Proportionate share of the net pension liability (asset)	\$ 574,493	\$ 535,114	\$ 525,506	\$ 574,580	\$ 479,539	\$ 372,908
Covered-employee payroll	1,717,534	1,651,677	1,566,566	1,521,951	1,426,543	1,184,201
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.45%	32.40%	33.55%	37.75%	33.62%	36.38%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the school will present information for only those years for which information is available.

THE SEASIDE SCHOOL, INC.
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEARS AS OF JUNE 30, 2020

	2020	2019	2018	2017	2016	2015	2014
<u>Florida Retirement System (FRS)</u>							
Contractually required contribution	\$ 86,766	\$ 81,584	\$ 103,373	\$ 91,800	\$ 85,665	\$ 87,211	\$ 105,196
Contributions in relation to the contractually required contribution	(86,766)	(81,584)	(103,373)	(91,800)	(85,665)	(87,211)	(105,196)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,717,534	\$ 1,651,677	\$ 1,651,325	\$ 1,566,566	\$ 1,521,951	\$ 1,426,543	\$ 1,184,201
Contributions as a percentage of covered payroll	5.05%	4.94%	6.26%	5.86%	5.63%	6.11%	8.88%
<u>Health Insurance Subsidy Program (HIS)</u>							
Contractually required contribution	\$ 28,511	\$ 27,558	\$ 27,412	\$ 26,005	\$ 25,394	\$ 17,985	\$ 18,163
Contributions in relation to the contractually required contribution	(28,511)	(27,558)	(27,412)	(26,005)	(25,394)	(17,985)	(18,163)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,717,534	\$ 1,651,677	\$ 1,566,566	\$ 1,566,566	\$ 1,521,951	\$ 1,426,543	\$ 1,184,201
Contributions as a percentage of covered payroll	1.66%	1.67%	1.75%	1.66%	1.67%	1.26%	1.53%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the school will present information for only those years for which information is available.

**INDEPENDENT AUDITORS' 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,
The Seaside School, Inc.:

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, the discretely presented component unit, and each major fund and the aggregate remaining fund information of The Seaside School, Inc. (a component unit of the School Board of Walton County School District) as of and for the year ended June 30, 2020, and related notes to the financial statements which collectively comprise The Seaside School, Inc.'s basic financial statements and have issued our report thereon dated August 31, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Seaside School, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Seaside School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Seaside School, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as item 2020-001 that we consider to be a significant deficiency.

Finding 2020-001: Proper recording and tracking of pledge receivables

Condition and criteria: The internal controls of The Seaside School, Inc. have focused primarily on the objective of effectiveness and efficiency of operations (i.e., performance and mission goals and safeguarding of resources). However, the system of internal control over the objectives of reliability of financial reporting contains a certain deficiency. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles. We noted significant adjustments were required to adjust pledge receivable balances on the Foundation's financial statements to the underlying supporting documents. In addition, we noted processes for tracking pledge receivables were inadequate for proper financial reporting. Since the Foundation's activity is considered an integral part of the Schools financial statements, we consider this deficiency to be a significant deficiency.

Cause: Previously the Foundation launched a large capital campaign with the hopes of raising funds for expansion projects. The campaign was successful in acquiring pledges however processes for tracking amounts for financial reporting were not implemented at the time. Further, in the year ended June 30, 2020, it was determined by the Foundation's board that portions of the expansion projects would be discontinued. This resulted in certain pledges being revoked which further complicated tracking of amounts due.

Effect: Significant adjustments to the financial statements were required related to pledge receivables.

Recommendation: We recommend management implement policies and procedures to ensure proper tracking and recording of pledge receivables for the financial statements.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Seaside School, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Seaside School, Inc.'s Response to Findings

The Seaside School, Inc.'s response to the findings identified in our audit is described in the accompanying corrective action plan. The Seaside School, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.

James Moore & Co., P.L.

Tallahassee, Florida
August 31, 2020

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS
REQUIRED BY CHAPTER 10.850, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

To the Board of Directors,
The Seaside School, Inc.:

Report on the Financial Statements

We have audited the financial statements of The Seaside School, Inc. (a component unit of the School Board of Walton County School District), as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated August 31, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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 that report, which is dated August 31, 2020, 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 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 The Seaside School, Inc., 661110.

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 to communicate whether or not The Seaside School, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that The Seaside School, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Transparency

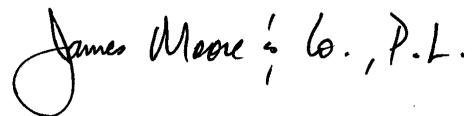
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether The Seaside School, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the The Seaside School, Inc. did maintain all of the required information on its Web site as 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, Walton County District School Board, 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.

James Moore & Co., P.L.

Tallahassee, Florida
August 31, 2020

James Moore CPAs and Consultants

2477 Tim Gamble Place
Tallahassee, FL 32308-4386

RE: Finding 2020-001: Proper recording and tracking of pledge receivables.

The Seaside School, Inc. and The Seaside School Foundation respectfully submit our response re. Finding 2020-001 of the internal control review conducted by your firm during the audit of our financial statements for the fiscal year ended June 30, 2020.

While our initial campaign for elementary school expansion was successful in acquiring pledges, processes for tracking amounts for financial reporting have not been sufficient. Further, in the fiscal year ended June 30, 2020, it was determined by The Seaside School Board of Directors that certain aspects of the expansion project would be discontinued. This new strategic direction resulted in certain pledges being revoked which further complicated tracking of amounts due.

To ensure proper recording and tracking of pledge receivables going forward, The Seaside School Foundation is committed to implementing the following during fiscal year 2021:

Policies & Procedures

Policies regarding the solicitation and acquisition of pledge commitments; and procedures utilized by Seaside School Foundation staff to record Gift Pledge revenues and receivables, to classify receivables as Current or Non-current, and to provide an Allowance for Doubtful Gift Pledge Receivables, will be reviewed and updated as necessary.

Constituent Records Management

Constituent and gift records for The Seaside School Foundation will be managed through an internal CRM system. This system allows for detailed gift/pledge tracking and reporting, and copies of the pledge commitments can easily be saved and referenced in the system.

New Pledge Forms for All Donors

We will soon relaunch our capital campaign. During the initial phase, each donor with an outstanding commitment from the previous campaign will be contacted by the Executive Director of the Seaside School Foundation and asked to complete a new pledge form. These pledge forms, along with pledge forms obtained from new donors, will be maintained in the new CRM system.

Please let us know if you have any questions or recommendations for additional measures to improve our internal controls. Thank you.

Sincerely,

Teresa Horton

Teresa Horton
Executive Director
Seaside School Foundation

Rick Helfand

Rick Helfand
President
Seaside School Foundation
Board of Directors

Meg Norwood
Chairman
Seaside School, Inc.
Board of Directors

Signature: *Rick Helfand*
Rick Helfand (Sep 2, 2020 19:26 CDT)

Email: rick@seasideschoolfoundation.org

Signature: *Meg Norwood*
Meg Norwood (Sep 3, 2020 10:20 CDT)

Email: board.norwood@seasideschools.net