

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

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

**JUNE 30, 2023**



CERTIFIED PUBLIC ACCOUNTANTS

**PALM BEACH SCHOOL FOR AUTISM**

**JUNE 30, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

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

**JUNE 30, 2023**

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

**2022-2023**

**BOARD OF DIRECTORS**

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

**SCHOOL ADMINISTRATION**

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



CERTIFIED PUBLIC ACCOUNTANTS



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

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of Palm Beach School for Autism (the "School"), a charter school under Palm Beach School for Autism, Inc. as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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



To the Board of Directors  
Palm Beach School for Autism

### **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the charter school as of June 30, 2023, and the respective changes in the financial position for the year then ended, and is not intended to be a complete presentation of Palm Beach School for Autism, Inc. These financial statements do not purport to and do not present fairly the financial position of the Palm Beach School for Autism, Inc. as of June 30, 2023 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

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

Coral Gables, Florida  
September 27, 2023



**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

The officers of Palm Beach School For Autism (the "School") have prepared this narrative overview and analysis of the School's financial activities for the year ended June 30, 2023.

**FINANCIAL HIGHLIGHTS**

Net position is an indicator of the fiscal health of the School. Assets exceeded its liabilities by \$6,375,965 (net position) for the fiscal year reported. This compared to the previous year when assets exceeded liabilities by \$4,890,592. The net position of the School increased by \$1,485,373.

Total net position is comprised of the following:

- (\$24,731) net investment in capital and right-of-use assets
- \$2,082,451 in restricted funds
- \$4,318,245 in unrestricted funds

At year-end, the School had current assets on hand of \$6,737,151.

Enrollment continues to increase at the School, with full-time equivalent ("FTE") students totaling 374 at June 30, 2023.

**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, 2023 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

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

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

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

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

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

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

**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Fund Financial Statements**

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

All of the funds of the School are governmental funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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

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

**Notes to the Financial Statements**

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2023 and 2022 follows:

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 860,513	\$ 4,616,563
Investments	5,659,543	-
Due from government agencies	99,043	155,975
Due from related party	-	65,000
Prepaid expense	118,052	117,196
Capital assets, net	666,021	525,376
Right-of-use assets, net	17,346,260	18,011,637
Deposits	4,949	4,949
TOTAL ASSETS	\$ 24,754,381	\$ 23,496,696
<b>LIABILITIES AND NET POSITION</b>		
Accounts payable	\$ 27,006	\$ 48,769
Due to government agencies	41,833	-
Salaries, benefits and payroll taxes payable	272,565	277,865
Right-of-use liabilities	18,037,012	18,279,470
Total Liabilities	18,378,416	18,606,104
Net investment in capital and Right-of-use assets	(24,731)	257,543
Restricted	2,082,451	854,143
Unrestricted	4,318,245	3,778,906
Total Net Position	6,375,965	4,890,592
TOTAL LIABILITIES AND NET POSITION	\$ 24,754,381	\$ 23,496,696



**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

At June 30, 2023, the School's total assets were \$24,754,381 and total liabilities were \$18,378,416. At June 30, 2022, the School reported a total positive net position of \$6,375,965.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$6,375,965 at June 30, 2023. A portion of the School's net position (0.4%) reflects its net investment in capital and Right-of-use assets. The School uses these capital assets to provide educational services; consequently, these assets are not available for future spending. Additionally, 32.7% of the School's net position relates to the unused portion of the tax referendum funding and it is restricted for specific instructional uses. An additional portion of the School's net position (67.7%) represents an unrestricted net position that is available to meet the financial obligations of the School.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 follows:

	2023	2022
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 1,832,358	\$ 2,735,642
Charges for services	189,874	138,430
State capital outlay funding	260,434	247,733
General Revenues		
FEFP nonspecific revenue	10,071,001	7,796,287
Referendum revenue	1,693,699	1,373,381
Fundraising, donations and other revenue	347,140	247,108
Total Revenues	14,394,506	12,538,581
<b>EXPENSES</b>		
Board	29,777	6,393
Fiscal services	114,099	106,801
Instruction	8,115,248	8,068,308
Instructional and curriculum development services	408,509	219,424
Instructional staff training services	25,513	15,252
Interest expense	726,766	431,517
Maintenance of plant	74,140	66,327
Operation of plant	639,338	961,354
Pupil transportation services	17,643	8,085
School administration	1,534,088	1,370,345
Student support services	381,087	147,061
Unallocated depreciation and amortization expenses	842,925	586,417
Total Expenses	12,909,133	11,987,284
<b>Change in Net Position</b>	1,485,373	551,297
<b>Net Position at Beginning of Year</b>	4,890,592	4,339,295
<b>Net Position at End of Year</b>	\$ 6,375,965	\$ 4,890,592

The School's total revenues for the year ended June 30, 2023 were \$14,394,506, while its total expenses were \$12,909,133 for a net increase of \$1,485,373 in its net position.

**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**ACCOMPLISHMENTS**

Palm Beach School for Autism celebrates many accomplishments in the 2022-2023 school year. This includes continued growth of Project Next, new community partners including businesses who train and employ the students and partners who are donors, introduction of general education curriculum for those students who can successfully access the demands, and tremendous growth in student population for the school year 2023.

Palm Beach School for Autism educates children with autism from preschool through age 22. The primary focus for the high school is to instruct the students on how to be safe, productive and independent adults fully immersed in the community. The School believes in staying on the cutting edge: fully immersed in evidence-based curriculums and vocational training programs so all of the students may reach their full potential.

**SCHOOL LOCATION**

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

**GOVERNMENTAL FUNDS**

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**CAPITAL AND RIGHT-OF-USE ASSETS**

The School's investment in capital and right-of-use assets, as of June 30, 2023, amounts to \$18,012,281 (net of accumulated depreciation and amortization of \$2,377,041). This investment includes right-of-use assets related to facilities and copier, leasehold improvements, school buses, furniture, fixtures and equipment, computer equipment and software.

**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**GOVERNMENTAL FUND BUDGET ANALYSIS**

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 9,413,053	\$10,071,001	\$10,071,001
Federal sources	1,341,584	1,832,358	1,832,358
Local sources	-	1,693,699	1,693,699
State capital outlay funding	250,000	260,434	260,434
Charges for services	229,450	207,974	207,974
Fundraising, donations and other revenues	202,904	329,040	329,040
TOTAL REVENUES	<u>11,436,991</u>	<u>14,394,506</u>	<u>14,394,506</u>
<b>EXPENDITURES</b>			
Board	10,800	29,777	29,777
Facilities acquisition & construction	1,500	-	-
Fiscal services	93,052	114,099	114,099
Instruction	8,002,312	8,401,621	8,115,248
Instructional and curriculum development services	410,243	408,509	408,509
Instructional staff training	15,000	25,513	25,513
Maintenance of plant	42,100	74,140	74,140
Operation of plant	1,468,173	1,608,563	639,338
Pupil transportation services	18,600	17,643	17,643
School administration	1,375,211	1,565,907	1,534,088
Student support service	-	381,087	381,087
<b>Capital Outlay:</b>			
Capital outlay	-	-	318,192
<b>Debt Service:</b>			
Interest expense	-	-	726,766
Redemption of principal	-	-	242,458
TOTAL EXPENDITURES	<u>11,436,991</u>	<u>12,626,859</u>	<u>12,626,859</u>
Excess of revenues over expenditures	-	1,767,647	1,767,647
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ 1,767,647</u></u>	<u><u>\$ 1,767,647</u></u>

The School's original budget did not reflect the tax referendum and Elementary and Secondary School Emergency Relief (ESSER) funding that were allocated during 2022-2023. In addition, original and final budgets for facility lease expenses were budgeted in operation of plant and copier lease expenses were budgeted in instruction and school administration but are reported under debt service due to the implementation of GASB No. 87, Leases.

**PALM BEACH SCHOOL FOR AUTISM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**REQUESTS FOR INFORMATION**

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

**PALM BEACH SCHOOL FOR AUTISM  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 857,912
Cash and cash equivalents - capital campaign	2,601
Investments	5,659,543
Due from government agencies	99,043
Prepaid items	118,052
Total current assets	6,737,151
Capital assets, net	666,021
Right-of-use assets, net	17,346,260
Other Assets	4,949
TOTAL ASSETS	\$ 24,754,381
 <b>LIABILITIES AND NET POSITION</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 27,006
Due to government agencies	41,833
Salaries, benefits and payroll taxes payable	272,565
Right-of-use liabilities, current portion	280,037
Total current liabilities	621,441
Right-of-use liabilities, net of current portion	17,756,975
TOTAL LIABILITIES	18,378,416
 <b>Net position:</b>	
Net investment in capital and right-of-use assets	(24,731)
Restricted	2,082,451
Unrestricted	4,318,245
Total net position	6,375,965
TOTAL LIABILITIES AND NET POSITION	\$ 24,754,381

**PALM BEACH SCHOOL FOR AUTISM  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Functions</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Board	\$ 29,777	\$ -	\$ -	\$ -	\$ (29,777)
Fiscal services	114,099	-	-	-	(114,099)
Instruction	8,115,248	207,974	1,489,996	-	(6,417,279)
Instructional and curriculum development services	408,509	-	-	-	(408,509)
Instructional staff training	25,513	-	-	-	(25,513)
Interest expenses	726,766	-	-	260,434	(466,332)
Maintenance of plant	74,140	-	-	-	(74,140)
Operation of plant	639,338	-	327,183	-	(312,155)
Pupil transportation services	17,643	-	-	-	(17,643)
School administration	1,534,088	-	13,471	-	(1,520,617)
Student support services	381,087	-	1,707	-	(379,380)
Unallocated depreciation and amortization expenses	842,924	-	-	-	(842,924)
<b>Total Governmental Activities</b>	<u>\$ 12,909,133</u>	<u>\$ 207,974</u>	<u>\$ 1,832,358</u>	<u>\$ 260,434</u>	<u>\$(10,608,367)</u>

**GENERAL REVENUES:**

Government grants not restricted to specific programs	\$ 11,764,700
Donations	12,890
Fundraising income	135,746
Other revenue	180,404
Total general revenues	<u>12,093,740</u>
 Change in Net Position	 1,485,373
 NET POSITION - BEGINNING	 4,890,592
 NET POSITION - ENDING	 <u>\$ 6,375,965</u>

**PALM BEACH SCHOOL FOR AUTISM  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Governmental Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 857,912	\$ -	\$ -	\$ 857,912
Cash and cash equivalents-capital	2,601	-	-	2,601
Investments	5,659,543	-	-	5,659,543
Due from government agencies	-	77,600	21,443	99,043
Prepaid items	118,052	-	-	118,052
Deposits	4,949	-	-	4,949
Due from other funds	99,043	-	-	99,043
TOTAL ASSETS	<u>\$ 6,742,100</u>	<u>\$ 77,600</u>	<u>\$ 21,443</u>	<u>\$ 6,841,143</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 27,006	\$ -	\$ -	\$ 27,006
Salaries, benefits and payroll taxes payable	272,565	-	-	272,565
Due to other agencies	41,833	-	-	41,833
Due to other funds	-	77,600	21,443	99,043
Total Current Liabilities	<u>341,404</u>	<u>77,600</u>	<u>21,443</u>	<u>440,447</u>
<b>Fund Balance</b>				
Nonspendable:				
Prepaid expenditures	118,052	-	-	118,052
Deposits	4,949	-	-	4,949
Restricted	2,082,451	-	-	2,082,451
Unassigned	4,195,244	-	-	4,195,244
Total Fund Balance	<u>6,400,696</u>	<u>-</u>	<u>-</u>	<u>6,400,696</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,742,100</u>	<u>\$ 77,600</u>	<u>\$ 21,443</u>	<u>\$ 6,841,143</u>

**PALM BEACH SCHOOL FOR AUTISM.  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

Total Fund Balance - Governmental Funds	\$ 6,400,696
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.	Capital assets	1,965,265
	Accumulated depreciation	(1,299,244)

Right-to-use asset and liability used in governmental activities are not financial resources or obligations and therefore are not reported.	Right-of-use assets	17,346,260
	Right-of-use liabilities	<u>(18,037,012)</u>

Total Net Position - Governmental Activities	<u><u>\$ 6,375,965</u></u>
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**PALM BEACH SCHOOL FOR AUTISM  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental
<b>REVENUES</b>				
State passed through local	\$10,071,001	\$ -	\$ -	\$ 10,071,001
Federal sources	-	1,832,358	-	1,832,358
Local sources	1,693,699	-	-	1,693,699
State capital outlay funding	-	-	260,434	260,434
Charges for services	207,974	-	-	207,974
Donations	12,890	-	-	12,890
Fundraising	135,746	-	-	135,746
Other revenues	180,404	-	-	180,404
<b>TOTAL REVENUES</b>	<u>12,301,714</u>	<u>1,832,358</u>	<u>260,434</u>	<u>14,394,506</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Board	29,777	-	-	29,777
Fiscal services	114,099	-	-	114,099
Instruction	6,625,252	1,489,996	-	8,115,248
Instructional and Curriculum Development Services	408,509	-	-	408,509
Instructional staff training	25,513	-	-	25,513
Maintenance of plant	74,140	-	-	74,140
Operation of plant	294,180	327,183	17,975	639,338
Pupil transportation services	17,643	-	-	17,643
School administration	1,520,617	13,471	-	1,534,088
Student support service	379,380	1,707	-	381,087
<b>Capital Outlay:</b>				
Capital outlay	318,192	-	-	318,192
<b>Debt Service:</b>				
Interest expense	726,766	-	-	726,766
Redemption of principal	-	-	242,459	242,459
<b>TOTAL EXPENDITURES</b>	<u>10,534,067</u>	<u>1,832,358</u>	<u>260,434</u>	<u>12,626,859</u>
Excess of revenues over expenditures	1,767,647	-	-	1,767,647
Fund balance at beginning of year	3,778,906	854,143	-	4,633,049
Transfer of fund balance	854,143	(854,143)	-	-
Fund balance at end of year	<u>\$ 6,400,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,400,696</u>

**PALM BEACH SCHOOL FOR AUTISM  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2023**

Change in Fund Balance - Governmental Funds	\$	1,767,647
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Amounts reported for governmental activities in the statement of activities are different because:

<p>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.</p>	<p>Depreciation expense</p> <p>Net expenditures for capital assets</p>	<p>(177,546)</p> <p>318,192</p>
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<p>In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.</p>	<p>Amortization expense</p>	<p>(665,378)</p>
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<p>Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	<p>Redemption of principal</p>	<p>242,458</p>
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Change in Net Position of Governmental Activities	\$	1,485,373
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**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

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

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of Organization as of June 30, 2023, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

These financial statements are for the year ended June 30, 2023 when 374 students were enrolled in kindergarten through twelfth grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

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

Government-Wide and Fund Financial Statements

*Government-wide Financial Statements*

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

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

**PALM BEACH SCHOOL FOR AUTISM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government-Wide and Fund Financial Statements (Continued)

*Fund Financial Statements*

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program ("FEFP") revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

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

Cash and Cash Equivalents

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

**PALM BEACH SCHOOL FOR AUTISM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$2,500 per unit on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	5 years
Vehicles	5 years
Leasehold improvements	10.5 years

Compensated Absences

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

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

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

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

Government-wide Fund Net Position

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

Net investment in capital and Right-of-use assets – Represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-to-use asset net of the right-to-use liability. The net investment in capital and right-to-use assets for the year ending June 30, 2023, was (\$24,731).

Restricted net assets – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position as of June 30, 2023 was \$2,082,451. Restricted net assets are related to the tax referendum funding.

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

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Fund Balances

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

Nonspendable – Fund balance associated with inventories, prepaid items, long-term loan and note receivables and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year. At June 30, 2023, the School had \$123,001 in nonspendable fund balance.

Restricted – Fund balance category includes amounts that can be spent only for specific purposes as stipulated by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation. At June 30, 2023, the restricted fund balance was \$2,082,451.

Committed – Fund balance Includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action. At June 30, 2023, there is no committed fund balance.

Assigned – Fund balance includes amounts intended to be used by the School's management or Board of Directors for specific purposes but do not meet the criteria to be classified as either restricted or committed. At June 30, 2023, there is no assigned fund balance.

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

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2023, there are no minimum fund balance requirements for any of the School's funds.

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 Government Agencies

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

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

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

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

Local Sources

Local revenue was primarily from a school district referendum on ad valorem taxes. In response to inadequate State funding, Palm Beach County voters approved two referendums: the first in November 2016 increasing the local sales tax by one penny (shared with the County and municipalities), and the second in November 2018 increasing the levy to a full 1.00 mill (up from 0.25 mill). The charter schools were able to partake in the November 2018 referendum starting with the 2021-2022 school year. The sales tax is projected to generate \$130 million per year (for a ten-year period) with the primary purpose to reduce the backlog of critical capital needs as a result of the changes adopted by the Florida Legislature. The 1.00 mill levy equates to approximately \$275 million per year (for a four-year period), enabling District schools to continue to fund over 750 positions in art, music, physical education, career teachers, school safety & mental health, and teacher recruitment and retention. Voters overwhelmingly approved, with 74 percent support, continuation of the 1.00 mill in November 2022 for an additional four years (fiscal years 2024 through 2027). At June 30, 2023, the restricted balance from referendum revenue is \$2,082,451.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2020-2022 are still open to audit for federal purposes. Contributions to the School are tax deductible to donors under Section 170 of the IRC. The School is not classified as a private foundation.

Use of Estimates

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

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – INVESTMENTS**

The School follows Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application and categorizes its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained and Level 2 assets valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets.

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application also removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. As such, as of June 30, 2023, investments held in money market mutual funds measured at fair value have not been categorized within the fair value hierarchy.

As of June 30, 2023, the School's investments were categorized as follows:

**Investments Reported at Net Asset Value**

UBS Select Treasury Preferred Fund	<u>\$ 5,659,543</u>
Total Investments	<u>\$ 5,659,543</u>

Securities Exchange Commission (SEC), Rule 2a-7 of the Investment Company Act of 1940 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the School's investments in UBS Select Treasury Preferred Fund are reported at the account balance.

The School's investments are money market mutual funds that are reported using net asset value and seeks to maintain a stable price of \$1.00 per share. The fund has adopted a policy to invest 99.5% or more of its total assets in cash, government securities, and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash and/or government securities) in order to qualify as a "government money market fund" under federal regulations. In addition, in order to be a "Treasury" fund, under normal circumstances, the fund seeks to achieve its objective by investing at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in securities issued by the US Treasury and in related repurchase agreements. Under normal circumstances, the fund expects to invest substantially all of its assets in securities issued by the US Treasury and in related repurchase agreements.

**Credit Risk**

The School manages its exposure to credit risk by limiting investments to the highest rated government backed securities such as Government Agencies and Treasury Notes.

<u>Investment Type</u>	<u>Rating *</u>	<u>Amounts</u>	<u>Percentage of Investments</u>
UBS Select Treasury Preferred Fund	Aaa-mf	\$ 5,659,543	100%

\* Moody's ratings as of June 30, 2023.



**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – INVESTMENTS (CONTINUED)**

Custodial Risk

The School requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the School should be properly designated as an asset of the School. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the state of Florida, or any other state or territory of the United States which has a branch or principal place of business in the state of Florida as defined in Section 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the state of Florida. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2023, the School's investments were held with a third-party custodian.

The money market mutual funds are neither insured, collateralized, or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

**NOTE 4 – CAPITAL AND RIGHT-OF-USE ASSETS**

The following schedules provide a summary of changes in capital assets and right-of-use assets for the year ended June 30, 2023:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital Assets				
Furniture, Fixtures and Equipment	\$ 164,934	\$ 7,959	\$ -	\$ 172,893
School Bus	236,402	-	-	236,402
Leasehold and other improvements	1,245,738	310,232	-	1,555,970
Total Capital Assets	<u>1,647,074</u>	<u>318,191</u>	<u>-</u>	<u>1,965,265</u>
Less Accumulated Depreciation				
Furniture, Fixtures and Equipment	(162,918)	(1,810)	-	(164,728)
School Bus	(154,110)	(47,280)	-	(201,390)
Leasehold and other improvements	(804,670)	(128,456)	-	(933,126)
Total Accumulated Depreciation	<u>(1,121,698)</u>	<u>(177,546)</u>	<u>-</u>	<u>(1,299,244)</u>
Capital Assets, net	<u>\$ 525,376</u>	<u>\$ 140,645</u>	<u>\$ -</u>	<u>\$ 666,021</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	Amount
Instruction	\$ 159,791
School administration	17,755
Total depreciation expense	<u>\$ 177,546</u>

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – CAPITAL AND RIGHT-OF-USE ASSETS (CONTINUED)**

The following schedule provides a summary of changes in right-of-use assets for the year ended June 30, 2023:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Right-of-use assets:				
Facilities	\$ 18,212,985	\$ -	\$ -	\$ 18,212,985
Copiers	211,072	-	-	211,072
Total right-of-use assets	<u>18,424,057</u>	<u>-</u>	<u>-</u>	<u>18,424,057</u>
Less Accumulated amortization				
Facilities	(354,141)	(607,100)	-	(961,241)
Copiers	(58,278)	(58,278)	-	(116,556)
Total accumulated amortization	<u>(412,419)</u>	<u>(665,378)</u>	<u>-</u>	<u>(1,077,797)</u>
Right-of-use assets, net	<u>\$18,011,638</u>	<u>\$ (665,378)</u>	<u>\$ -</u>	<u>\$ 17,346,260</u>

Amortization expense for the year ended June 30, 2023 was \$665,378, which was charged to Other Expenses.

**NOTE 5 – TRANSACTIONS WITH A SERVICE COMPANY**

The School entered into an agreement with Building Hope Services, LLC., (“Building Hope”) to provide consulting and professional services to the School. Building Hope manages the finances and ledger and makes recommendations to the School’s management and independent board of directors, who make the final determinations regarding polices and contracts.

In providing services to the School, officers of Building Hope may not serve as members of the Board of Directors of the School. The contract calls for \$100 per student per month for accounting and finance services. During the year ended June 30, 2023, the School incurred service fees of \$39,168.

**NOTE 6 – DEPOSITS AND CREDIT RISK**

It is the School’s policy to maintain its cash and cash equivalents in major banks. Deposits are insured by the Federal Depository Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per financial institution. As of June 30, 2023, the bank balance of the School’s cash deposit accounts totaled \$865,463 and the carrying amounts totaled \$857,912.

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible to pledge, and reporting requirements of the qualified public depositor to the Treasurer is defined by the Statute. Collateral is pooled in a multiple qualified depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2023.

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – GRANTS**

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

**NOTE 8 – DUE FROM GOVERNMENTAL AGENCIES**

The amounts due from governmental agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of the following as of June 30, 2023:

Capital Outlay Fund	\$	21,443
Elementary and Secondary School Emergency Relief (ESSER)		77,600
	\$	99,043

These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is accrued.

**NOTE 9 – INTER-FUND BALANCES**

Inter-fund receivables/payables (“Due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. Interfund balances in governmental funds as of June 30, 2023 consist of the following:

	General Fund	Special Revenue Fund	Capital Outlay Fund
Due to General Fund from Special Revenue and Capital Outlay Funds for:			
Elementary and Secondary School Emergency Relief (ESSER)	\$ 77,600	\$ (77,600)	\$ -
Capital Outlay Fund	21,443	-	(21,443)
Total Due from/(Due to) Funds	\$ 99,043	\$ (77,600)	\$ (21,443)

**NOTE 10 – RELATED PARTY TRANSACTIONS**

On May 21, 2021, the Board of the School established a limited liability company, Palm Beach School for Autism Properties, LLC (“Properties”). The Company is member-managed and has a single-member consisting of the Organization. On November 5, 2021, Properties acquired the real property of the school campus located at 8480 Lantana Road. Effective on November 5, 2021, the school entered into an agreement with Properties to lease the real property with terms similar to the previous owner. The lease is a thirty (30) year lease and ends on November 4, 2051. Payments in the amount of \$73,343 are due monthly, and lease payments increase annually by three percent. Refer to Note 12 for future commitments.

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – COPIER LEASES WITH MAINTENANCE AGREEMENT**

On August 27, 2019, the School entered into a new sixty-three (63) month lease agreement with Toshiba Business Solutions for five copier machines. Payments in the amount of \$4,350 plus applicable taxes are due monthly during the term of the agreement. Refer to Note 12 for future commitments.

On December 11, 2020, the School entered into a second sixty-three (63) month lease agreement with Toshiba Business Solutions for an additional copier machine. Payments in the amount of \$875 plus applicable taxes are due monthly during the term of the agreement. Refer to Note 12 for future commitments.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

On July 1, 2021, the School implemented GASB No. 87 *Leases* and as a result, has recorded a right-of-use assets and liabilities of \$18,424,057 in these financial statements for the facilities mentioned in Note 10 and the copier leases mentioned in Note 9. The School used an interest rate of 4.0% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognized the intangible right to use these assets and the lease liabilities as of July 1, 2021. For the year ended June 30, 2023, the interest expense related to the right-of-use liabilities was \$726,766 and the amortization expense of the right to use assets was \$665,378.

Variable costs to the building lease such as operating charges and costs and expenses on common areas (CAM expenses) are not included in the measurement of the right-of-use assets and lease liabilities. For the year ended June 30, 2023, CAM expenses was \$97,284.

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

Fiscal Year	Principal Payments	Interest Payments	Total	
2023–2024	\$ 280,036	\$ 716,384	\$ 996,420	
2024–2025	289,220	704,371	993,591	
2025–2026	304,461	693,122	997,583	
2026–2027	339,957	680,344	1,020,301	
2027–2032	2,224,801	3,155,859	5,380,660	(Total for 5-year period)
2032–2037	2,754,148	2,658,039	5,412,187	(Total for 5-year period)
2037–2042	3,362,805	2,049,382	5,412,187	(Total for 5-year period)
2042–2047	4,105,974	1,306,213	5,412,187	(Total for 5-year period)
2047–2051	4,375,610	405,157	4,780,767	(Total for 5-year period)
	<u>\$ 18,037,012</u>	<u>\$ 12,368,871</u>	<u>\$ 30,405,883</u>	

	Balance 6/30/2022	Additions	Decreases	Balance 6/30/2023
Right-of-use liabilities				
Facilities	\$ 17,123,662	\$ -	\$ (184,944)	\$ 17,938,718
Copiers	155,809	-	(57,515)	98,294
	<u>\$ 18,279,471</u>	<u>\$ -</u>	<u>\$ (242,459)</u>	<u>\$ 18,037,012</u>

**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – RISK MANAGEMENT**

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

**NOTE 14 – SUBSEQUENT EVENTS**

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 27, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**PALM BEACH SCHOOL FOR AUTISM  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 9,413,053	\$10,071,001	\$ 10,071,001
Local sources	-	1,693,699	1,693,699
Charges for services	229,450	207,974	207,974
Donations	100,000	12,890	12,890
Fundraising	100,000	135,746	135,746
Other revenues	2,904	180,404	180,404
<b>TOTAL REVENUES</b>	<u>9,845,407</u>	<u>12,301,714</u>	<u>12,301,714</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Board	10,800	29,777	29,777
Facilities acquisition & construction	1,500	-	-
Fiscal services	93,052	114,099	114,099
Instruction	6,660,728	6,911,625	6,625,252
Instructional and curriculum development services	410,243	408,509	408,509
Instructional staff training	15,000	25,513	25,513
Maintenance of plant	42,100	74,140	74,140
Operation of plant	1,218,173	1,020,946	294,180
Pupil transportation services	18,600	17,643	17,643
School administration	1,375,211	1,552,436	1,520,617
Student support service	-	379,380	379,380
<b>Capital Outlay</b>			
Capital outlay	-	-	318,192
<b>Debt Service</b>			
Interest expense	-	-	726,766
<b>TOTAL EXPENDITURES</b>	<u>9,845,407</u>	<u>10,534,067</u>	<u>10,534,067</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,767,647</u>	<u>\$ 1,767,647</u>

**PALM BEACH SCHOOL FOR AUTISM  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	\$ 1,341,584	\$ 1,832,358	\$ 1,832,358
TOTAL REVENUES	1,341,584	1,832,358	1,832,358
<b>EXPENDITURES</b>			
Instruction	1,341,584	1,489,996	1,489,996
Operation of plant	-	327,183	327,183
School administration	-	13,471	13,471
Student support services	-	1,707	1,707
TOTAL EXPENDITURES	1,341,584	1,832,358	1,832,358
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -



**PALM BEACH SCHOOL FOR AUTISM  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BUDGETARY INFORMATION**

Budgetary Basis of Accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2023 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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



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

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

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

To the Board of Directors of  
Palm Beach School for Autism

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Palm Beach School for Autism (the "School") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Palm Beach School for Autism's basic financial statements, and have issued our report thereon dated September 27, 2023.

### **Report on Internal Control over Financial Reporting**

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

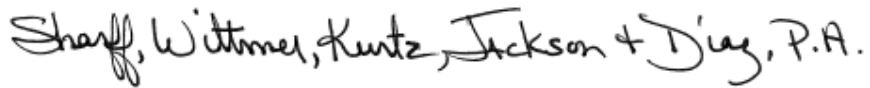
### **Report on Compliance and Other Matters**

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

Board of Directors  
Palm Beach School for Autism

**Purpose of this Report**

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



SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.  
Certified Public Accountants  
Coral Gables, Florida  
September 27, 2023





DAVID D. SHARFF, C.P.A. - DECEASED  
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## MANAGEMENT LETTER

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

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

We have audited the financial statements of Palm Beach School For Autism (the "School") as of and for the year ended June 30, 2023, and have issued our report thereon dated September 27, 2023.

### **Auditor's Responsibility**

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

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

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 27, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title**

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

### **Financial Condition and Management**

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

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit has lead us to believe that the School's overall financial condition as of June 30, 2023 is not deteriorating.

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

### **Transparency**

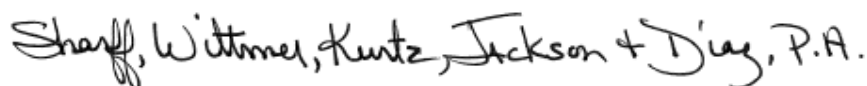
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with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

### **Additional Matters**

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

### **Purpose of this Letter**

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



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

Coral Gables, Florida  
September 27, 2023

