BODWELL ACADEMY

A COMPONENT OF THE ARC OF PALM BEACH COUNTY, INC.

Financial Statements and Supplementary Information

June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

Partners
W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

To the Board of Trustees
Bodwell Academy
A Component Unit of The Arc of Palm Beach County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bodwell Academy which is a component unit of The Arc of Palm Beach County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bodwell Academy as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Bodwell Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Bodwell Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Bodwell Academy'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 Bodwell Academy'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of Bodwell Academy'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 Bodwell Academy'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 Bodwell Academy's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

Bodwell Academy, A Component of
The Arc of Palm Beach County, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash	$ 64,704	$ 12,455
Accounts receivable, net	11,103	65,502
Due from the Arc (a related party)	373,019	464,688
Property and equipment, net	58,217	73,867
Total assets	$ 507,043	$ 616,512
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 84,809	$ 44,355
Total liabilities	84,809	44,355
NET ASSETS		
Without donor restrictions	242,131	400,150
With donor restrictions	180,103	172,007
Total net assets	422,234	572,157
Total liabilities and net assets	$ 507,043	$ 616,512

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

Bodwell Academy, A Component of
The Arc of Palm Beach County, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2026 and 2025

	2026			2025		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUES						
Fees and grants from government agencies	$ 1,859,797	$ -	$ 1,859,797	$ 2,004,768	$ -	$ 2,004,768
Gifts, grants, and bequests	10,461	222,596	233,057	144,732	109,198	253,930
Non-financial rent	16,000	-	16,000	16,000	-	16,000
Net assets released from restrictions	214,500	(214,500)	-	91,213	(91,213)	-
Total support and revenues	2,100,758	8,096	2,108,854	2,256,713	17,985	2,274,698
EXPENSES						
Instruction	1,133,526	-	1,133,526	1,000,737	-	1,000,737
School administration	828,623	-	828,623	854,853	-	854,853
Operation of plant	296,627	-	296,627	262,904	-	262,904
Total expenses	2,258,777	-	2,258,777	2,118,494	-	2,118,494
Change in Net Assets	(158,019)	8,096	(149,923)	138,219	17,985	156,204
Transfer of Net Assets	-	-	-	186,884	-	186,884
Net Assets, Beginning of Period	400,150	172,007	572,157	75,047	154,022	229,069
Net Assets, End of Period	$ 242,131	$ 180,103	$ 422,234	$ 400,150	$ 172,007	$ 572,157

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

Bodwell Academy, A Component of
The Arc of Palm Beach County, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2026 and 2025

	2026				2025			
	Instruction	School Administration	Operation of Plant	Total	Instruction	School Administration	Operation of Plant	Total
Salaries	$ 653,409	$ 282,493	$ 65,395	$ 1,001,296	$ 595,144	$ 182,163	$ 68,014	$ 845,321
Employee benefits	68,567	62,116	279	130,962	58,889	68,995	288	128,172
Payroll taxes	48,864	21,210	4,728	74,802	50,517	13,379	5,933	69,829
Total salaries and related expenses	770,840	365,819	70,401	1,207,061	704,550	264,537	74,235	1,043,322
Professional services	322,280	13,157	91,846	427,283	282,449	17,736	65,880	366,065
Management allocation	-	392,019	-	392,019	-	535,957	-	535,957
Insurance	-	16,711	51,478	68,189	-	12,188	59,320	71,508
Miscellaneous	16,199	6,450	6,418	29,067	241	823	5,299	6,363
Supplies	20,628	9,881	-	30,509	10,266	1,061	675	12,002
Transportation	299	15,970	250	16,519	-	9,605	931	10,536
Telephone and postage	-	1,518	-	1,518	589	1,479	-	2,068
Trainings and meetings	1,930	2,932	-	4,862	1,884	2,397	-	4,281
Repairs and maintenance	-	-	41,483	41,483	-	1,113	18,013	19,126
Printing and promotions	1,351	4,166	318	5,834	159	2,418	4,032	6,609
Non-financial rent expense	-	-	16,000	16,000	-	-	16,000	16,000
Equipment rental and purchase	-	-	-	-	-	4,764	617	5,381
Dues and subscriptions	-	-	-	-	599	775	510	1,884
Total expenses before depreciation	1,133,526	828,623	278,193	2,240,343	1,000,737	854,853	245,512	2,101,102
Depreciation	-	-	18,434	18,434	-	-	17,392	17,392
Total expenses	$ 1,133,526	$ 828,623	$ 296,627	$ 2,258,777	$ 1,000,737	$ 854,853	$ 262,904	$ 2,118,494

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

Bodwell Academy, A Component of
The Arc of Palm Beach County, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATIONS		
Change in net assets	$ (149,923)	$ 156,204
Adjustments to reconcile change in net assets to cash (used in) provided by operations:		
Depreciation	18,434	17,392
Loss on disposal of asset	4,060	-
Decrease in accounts receivable	54,399	14,223
Increase (decrease) in accounts payable and accrued expenses	40,454	(26,887)
Net cash (used in) provided by operations activities	(32,576)	160,932
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(6,844)	(21,120)
Cash received from merger of SAIL, net	-	92,824
Net cash (used in) provided by investing activities	(6,844)	71,704
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from (advances to) the Arc, net	91,669	(226,757)
Net cash provided by (used in) financing activities	91,669	(226,757)
Net change in cash	52,249	5,879
Cash, beginning of period	12,455	6,576
Cash, end of period	$ 64,704	$ 12,455
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Merger of SAIL Accounts		
Accounts receivable	$ -	$ 10,763
Fixed assets	-	1,265
Accounts payable	-	(9,608)
Due to the ARC	-	(341,187)
Due from Seagull	-	432,827
Nets assets	-	(186,884)
Cash received	$ -	$ (92,824)

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

NOTE A – SCHOOL AND ACTIVITIES

Potentials Charter School, a component of The Arc of Palm Beach County, Inc., (the "School") was established in May 1998 pursuant to a charter school contract (the "Charter") between the School Board of Palm Beach County, Florida (the "School Board") and The Arc of Palm Beach County, Inc. (the "Arc"). The School operates as a separate component of the Arc. Under the Charter, the School provides education to developmentally disabled children from preschool through the eighth grade in Palm Beach County, Florida. The School combines an intensive classroom learning experience for its students with therapeutic services and technical support. The School's facilities, located in central Palm Beach County, can serve a maximum of thirty-two students.

The Charter, which is effective through June 30, 2031, requires the School Board to provide the School's primary source of funding based upon the number of full-time equivalent students served by the School.

Effective July 1, 2024, the School merged with Seagull Academy for Independent Living ("SAIL") which is another component of the Arc, to provide services for students from kindergarten through 12th grade. Potentials Charter School's name was also changed on July 1, 2024, to the Bodwell Academy. With the merger, the School's enrollment increased to 54 students. See Statements of Cash Flows – Noncash Activities for the accounting for the merger, which was recorded at historical costs as SAIL was an entity under common control.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the School is presented to assist in understanding the School's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been applied consistently in the preparation of these financial statements.

1. Basis of presentation

   The accompanying financial statements have been prepared on the accrual basis of accounting. The School reports information regarding its financial position and activities according to two classes of net assets as follows:

   Net Assets Without Donor Restrictions

   Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Basis of presentation (continued)

   Net Assets With Donor Restrictions

   Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

   The School reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

2. Contributed non-financial assets

   The School follows ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions.

   The School does not recognize any support, revenue or expense from services contributed by individual volunteers since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of time in the School's program services.

   The School's primary facility is owned by the Arc. The facility is rented to the School without charge. The estimated fair rental value of the building and land is reported as support and expense in the period the premises are used (see Note D).

3. Accounts receivable

   Accounts and pledges receivable at June 30, 2026 and 2025 are receivable in less than one year and are stated at the amount of the uncollected balances, adjusted by an allowance for doubtful accounts, if necessary. Management's periodic evaluation of the adequacy of the allowance is based on past experience and adverse situations that may affect the funding service's ability to pay. There was no allowance for doubtful accounts at June 30, 2026 and 2025.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Property and equipment and depreciation

Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service. Depreciation of property and equipment, consisting principally of furniture, fixtures, and equipment, is calculated on the straight-line method over the estimated useful lives ranging from 3 to 30 years.

5. Revenue Recognition

The School follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The School receives its revenue from the Florida Education Finance Program (FEFP), Special revenue, and grants. FEFP revenue is recorded 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 School Board. Under the provisions of Section 1011.62, Florida Statutes, the 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 actual weighted FTE students reported by the School during designated FTE student survey periods. Special revenue is recognized as determined by Florida DOE or other authorities. Grants are reported as net assets with donor restrictions if they are received with donor stipulations which limit the use of the donated assets. When donor restrictions expire, that is, when the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

6. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions which affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Certain risk matters

The School operates as a component unit of the Arc and is exposed to the risks that its activities will no longer be funded by certain governmental agencies or supported by the Arc. Management believes that any decline in funding would result in a corresponding reduction in the scope of educational services it could provide to developmentally disabled children.

The School maintains cash deposits at several financial institutions located in Palm Beach County, Florida. Deposits located at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and during the year balances may fluctuate above and below this amount. At June 30, 2026 and 2025, the School held no amounts in excess of FDIC limits. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

8. Income taxes

The Arc is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has concluded that as of June 30, 2026 there are no uncertain tax positions taken or expected to be taken by the School that would require recognition of a liability (or asset) or disclosure in the financial statements. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on September 30, 2026.

NOTE C – PROPERTY AND EQUIPMENT

Major classifications of property and equipment at June 30, 2026 and 2025 are summarized below:

	2026	2025
Furniture, fixtures, and equipment	$ 365,212	$ 362,522
Accumulated depreciation	(306,995)	(288,655)
Property and equipment, net	$ 58,217	$ 73,867

Depreciation expense for the years ended June 30, 2026 and 2025 totaled approximately, $18,400 and $17,400, respectively.

NOTE D – RELATED PARTY TRANSACTIONS

1. Leasing arrangements

   The School occupies a portion of a building owned by the Arc under an informal leasing arrangement. Contributed non-financial rent expense totaled approximately $16,000 for donated land for 2026 and 2025. The building is on land owned by the School Board and leased to the School pursuant to a long-term lease with the School Board.

2. Allocation of expenses

   The Arc allocates certain occupancy and other expenses, including certain payroll and related expenses, utilities, repairs and maintenance, and insurance to the School based on square footage. For the years ended June 30, 2026 and 2025, allocations to the School approximated $392,000 and $536,000, respectively.

   The Arc also advances funds, as needed, to the School to subsidize its operations. The School received no cash subsidies from the Arc during 2026 and 2025. As of June 30, 2026 and 2025, the School has a due from the Arc balance of approximately $373,000 and $465,000, respectively, as shown in the accompanying statements of financial position. The net amounts due from the Arc have no stipulated repayment terms and are non-interest bearing.

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2026 and 2025 relate to funds pledged for operation of the School and funds received for specific purposes. These restrictions are considered to expire when pledge payments are received and the funds have been expended for the specified purpose. Net assets with donor restrictions as of June 30, 2026 and 2025 are summarized as follows:

	2026	2025
Frenchman's Creek	$ 74,011	$ 31,261
School Board	41,508	11,408
Kingdom Charitable Trust	19,447	15,000
Lattner	15,461	23,707
Mirasol	11,723	18,648
Cornelia Bailey Foundation	9,000	-
Ballen Isles	6,528	8,017
Childrens Healthcare Charity	2,425	262
Mary Alice Fortin	-	63,704
	$ 180,103	$ 172,007

Net assets released from restrictions consist of the following for the years ended June 30:

	2026	2025
MA Fortin Schools	$ 63,704	$ -
Nicklaus Goldencub	62,518	-
Lattner	40,184	59,376
Frenchman's Creek	24,290	17,682
Childrens Healthcare Charity	7,836	7,094
Mirasol	6,926	5,351
Ballen Isles	6,489	1,710
Kingdom Charitable Trust	2,553	-
	$ 214,500	$ 91,213

NOTE F – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, payroll taxes, professional services, and insurance, which are allocated on the basis of estimates of time and effort.

NOTE G – LIQUIDITY AND AVAILABILITY OF RESOURCES

The School's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	2026	2025
Cash	$ 64,704	$ 12,455
Accounts receivable, net	11,103	65,502
Due from the Arc	373,019	464,688
Total financial assets available within one year	448,826	542,645
Amounts unavailable to management		
Restricted funds	(180,103)	(172,007)
Total financial assets available within one year after restrictions	$ 268,723	$ 370,638

As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Arc has the financial resources and liquidity to ensure the School's continued operations for the foreseeable future and is committed to providing these resources to enable the School to operate for the foreseeable future.

SUPPLEMENTAL INFORMATION

MKA
CERTIFIED PUBLIC ACCOUNTANTS

Partners
W. Ed Moss, Jr.
Joe M. Krusick
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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 Trustees
Bodwell Academy
A Component Unit of The Arc of Palm Beach County, 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 Bodwell Academy which is a component unit of The Arc of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bodwell Academy'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bodwell Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Bodwell Academy's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bodwell Academy'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.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

Report on Compliance and Other Matters (continued)

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

MKA
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

Partners
W. Ed Moss, Jr.
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To the Board of Trustees
Bodwell Academy
A Component Unit of The Arc of Palm Beach County, Inc.

Report on the Financial Statements

We have audited the financial statements of Bodwell Academy, which is a component unit of The Arc of Palm Beach County, Inc., as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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 September 30, 2026, 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 significant findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 is *Bodwell Academy* (502531), which is a component unit of The Arc of Palm Beach County, Inc.

Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Bodwell Academy 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 Bodwell Academy 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 Bodwell Academy. It is management's responsibility to monitor Bodwell Academy's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Winter Park, FL 32789
501 S. New York Ave.
Clearwater St. Petersburg N. Palm Beach Miami Lakes Miramar
Moss, Krusick & Associates, LLC

Financial Condition and Management (continued)

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2026

CURRENT YEAR MANAGEMENT RECOMMENDATIONS

For the year ended June 30, 2026, there are no management recommendations.