CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended June 30, 2026

Connections Education Center of the Palm Beaches, Inc.

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GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Connections Education Center of the Palm Beaches, Inc.
West Palm Beach, Florida

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Connections Education Center of the Palm Beaches, Inc. ("the Center"), a charter school, as of and for the fiscal year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Connections Education Center of the Palm Beaches, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Center, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) 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 Center 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's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Center'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 GAAS 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 GAAS 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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

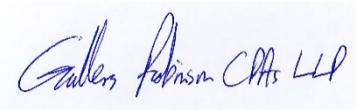
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 with related notes on pages 4–9 and 27-30 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

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



Boca Raton, FL
September 29, 2026

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Our discussion and analysis of the Connections Education Center of the Palm Beaches, Inc.'s ("Center") financial program provides an overview of the Center's financial activities for the year ended June 30, 2026.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the Center's financial statements which begin on page 10.

For financial statement purposes for the year ended June 30, 2026, the Center is not considered a component unit of the Palm Beach County District School Board, Florida, which is a primary government entity for financial reporting. The Center has included separate statements for the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Fund Financial Statements reflect financing activities of the Center by providing information on inflows and outflows of spendable resources, while the Statement of Net Position and the Statement of Activities provide information on the activities of the Center.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Center's financial position. Included in these statements are all assets and liabilities using the accrual method of accounting. All of the current year's revenues and expenses are recorded when received.

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

The Statement of Activities presents information showing how the governmental net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental Funds - All of the Center's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Center's governmental activities and the basic services it provides.

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 16-26 of this report.

Other Reports

This report also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities.*

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Center's financial position. Current and other assets of the Center, primarily consisting of a receivable due from related party, increased due a timing issue at the related party receiving its revenues which resulted in the receivable increasing. Net capital assets decreased as a result of amortization of its operating leases for equipment and facilities as well depreciation of its other fixed assets. The decrease in noncurrent liabilities stems from the annual lease payments for rent and equipment. The Center's assets exceeded liabilities by $1,047,439 and $725,926 at June 30, 2026 and June 30, 2025, respectively. The increase in restricted net position is due form the increase in the related party receivable.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

NET POSITION

Assets	2026	2025	Variance
Cash	$ 83,945	$ 95,508	$ (11,563)
Investments	64,856	56,609	8,247
Accounts receivable, net	65,834	75,364	(9,530)
Due from related party	996,937	542,469	454,468
Prepaid expenses	40,328	27,957	12,371
Capital assets, net	2,052,844	2,300,594	(247,750)
Total assets	$ 3,304,744	$ 3,098,501	$ 206,243
Liabilities and Net Position			
Accounts payable	$ 86,830	$ 14,215	72,615
Accrued salaries and payroll deductions	269,419	205,613	63,806
Lease obligations	1,901,056	2,152,747	(251,691)
Total liabilities	2,257,305	2,372,575	(115,270)
Investment in capital assets, net	151,788	147,847	3,941
Unresticted	795,259	477,687	317,572
Restricted	100,392	100,392	-
Total net position	1,047,439	725,926	321,513
Total liabilities and net position	$ 3,304,744	$ 3,098,501	$ 206,243

There is an increase in due from related party resulting from the related party having a delay in receiving its funding for the year. This delay impacted cash flow at the related party thereby requiring the cover some of their costs. The related party received a large donation subsequent to June 30, 2026, and a large portion of that donation will be paid to the Center.

Capital assets and lease obligations both decreased resulting from lease payments being made during the year and amortization of the right-of-use assets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

A summary and analysis of the Center's revenues and expenses for the years ended June 30, 2026 and 2025 follows:

Revenues	2026	2025	Variance
State passed through local school	$ 4,098,495	$ 3,353,153	$ 745,342
Federal passed through local schoools	489,339	365,551	123,788
Local revenue from property and sales tax	162,128	52,734	109,394
Interest income	8,271	6,815	1,456
Other revenue	1,048,662	1,583,748	(535,086)
Total revenue	5,806,895	5,362,001	444,894
Expenses			
Basic instruction	2,814,049	2,578,775	235,274
Student support services	835,631	809,505	26,126
Instructional related technology	150,800	133,418	17,382
Board	24,038	26,444	(2,406)
General administration	31,639	34,705	(3,066)
School administration	123,238	264,223	(140,985)
Facilities acquisition and construction	278,623	269,203	9,420
Fiscal services	71,823	94,772	(22,949)
Pupil transportation services	151,539	180,937	(29,398)
Operation of plant	420,038	601,263	(181,225)
Community activities	475,596	448,225	27,371
Interest expense	108,367	114,509	(6,142)
Total expenses	5,485,381	5,555,979	(70,598)
Change in net position	$ 321,514	$ (193,978)	$ 515,492

Revenues for governmental activities totaled $5,806,895 and $5,362,001 for the years ended June 30, 2026 and 2025, respectively. The main sources of revenue were from the Florida Education Finance Program ("FEFP"), private donations and various grants. The decrease in other revenue in 2026 is primarily resulting from a decrease in private donations.

The largest increase occurred in the basic instruction functions. The increase in instruction resulted from the increase in teacher salaries and hiring of additional teachers. The decrease in operation of plant is the result of the Center decreasing its overall insurance costs and a reduction in staff, and the decrease in administration costs results from the reduction in office staff in the current fiscal.

FUND FINANCIAL ANALYSIS

Key highlights for the fiscal years ended June 30, 2026 and 2025 are as follows:

	2026	2025	Variance
Revenue	$ 5,806,895	$ 5,362,001	$ 444,894
Expenditures	(5,489,323)	(5,669,865)	180,542
Other financing sources, net	-	48,716	(48,716)
Total	317,572	(259,148)	576,720
Fund Balance			
Fund balance, beginning of year	578,079	837,227	(259,148)
Fund balance, end of year	$ 895,651	$ 578,079	$ 317,572

CURRENT YEAR VS PRIOR YEAR RESULTS - FUND BASIS

Total revenue was $5,362,001 and $5,362,001 for the years ended June 30, 2026 and 2025, respectively. FE FP funds increased from prior year as a result of an increase in students. Total expenses were $5,489,323 and $5,669,865 for the years ended June 30, 2026 and 2025, respectively. Overall, 2026 expenses were fairly consistent with those in 2025, but there was an increase in instruction from hiring additional staff and a decrease to operation of plant as the Center purchased reduced staff and its overall insurance costs in the current fiscal year.

INVESTMENTS

In June 2021, the Center contributed $50,000 to start the Connections Education Center Endowment Fund which is being run through the Community Foundation for the Palm Beaches and Martin Counties. These funds cannot be used for any purpose and have been recorded as restricted in the statement of net position.

CAPITAL ASSETS AND RIGHT-OF-USE ASSETS

The Center's investment in capital and right-of-use assts, as of June 30, 2026, amounts to $2,052,844 (net of accumulated depreciation). This investment in capital assets includes leases for premises and equipment as well as furniture, equipment and leasehold improvements.

PROSPECTS FOR THE FUTURE

The Center continues to search for private donors to generate additional revenues to support operations. The Center is excited to complete the installation of the playground equipment and new fence to secure the perimeter. Lastly, the Center is in the process of purchasing its existing facility with the related high school through a bond issuance and hopes to close on the purchase and bond issuance during fiscal year end June 30, 2027. This will allow for the Center to expand its student population and help grow the Center.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Connections Education Center of the Palm Beaches, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Connections Education Center of the Palm Beaches, Inc., 1310 Old Congress Ave., Suite 100, West Palm Beach, FL 33409.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
STATEMENT OF NET POSITION
JUNE 30, 2026

		Governmental Activities
ASSETS		
Cash	$	83,945
Investments		64,856
Accounts receivable, net		65,834
Due from related party		996,937
Deposit		-
Prepaid expenses		40,328
Capital assets, net of accumulated depreciation		2,052,844
Total assets	$	3,304,744
LIABILITES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$	86,830
Accrued salaries and payroll deductions		269,419
Total current liabilities		356,249
NON-CURRENT LIABILITIES		
Portion due within one year		
Lease obligatons		260,897
Portion due after one year		
Lease obligatons		1,640,159
Total non-current liabilities		1,901,056
Total liabilities		2,257,305
NET POSITION		
Investment in capital assets, net of related debt		151,788
Unresticted		795,259
Restricted		100,392
Total net position		1,047,439
Total liabilities and net position	$	3,304,744

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities					
Basic instruction	$ 2,814,049	$ -	$ 142,983	$ -	$ (2,671,066)
Student support services	835,631	-	346,356	-	(489,275)
Instructional media services	-	-	-	-	-
Instructional staff training	-	-	-	-	-
Instructional related technology	150,800	-	-	-	(150,800)
Board	24,038	-	-	-	(24,038)
General administration	31,639	-	-	-	(31,639)
School administration	123,238	-	-	-	(123,238)
Facilities acquisition and construction	278,623	-	-	69,044	(209,579)
Fiscal services	71,823	-	-	-	(71,823)
Central services	-	-	-	-	-
Pupil transportation services	151,539	-	-	-	(151,539)
Operation of plant	420,038	-	-	-	(420,038)
Maintenance of plant	-	-	-	-	-
Community activities	475,596	159,715	-	-	(315,881)
Interest expenes	108,367	-	-	-	(108,367)
Total governmental activities	$ 5,485,381	$ 159,715	$ 489,339	$ 69,044	(4,767,283)

General Revenues	
Taxes:	
Property taxes, levied for capital projects	99,657
Local sales taxes	62,471
Grants and contributions not restricted to specific programs	4,918,398
Investment earnings	8,271
Miscellaneous	-
Total General Revenues	5,088,797
Change in net position	321,514
Net position, July 1, 2025	725,925
Net position, June 30, 2026	$ 1,047,439

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Cash	$ 83,945	$ -	$ -	$ 83,945
Investments	64,856	-	-	64,856
Accounts receivable	18,394	14,350	33,090	65,834
Due from funds	47,440	-	-	47,440
Due from related party	996,937	-	-	996,937
Deposit	-	-	-	-
Prepaid expenses	40,328	-	-	40,328
Total Assets	$ 1,251,900	$ 14,350	$ 33,090	$ 1,299,340
LIABILITES				
Accounts payable	$ 86,830	$ -	$ -	$ 86,830
Accrued salaries and payroll deductions	269,419	-	-	269,419
Due to funds	-	14,350	33,090	47,440
Total Liabilities	356,249	14,350	33,090	403,689
FUND BALANCES				
Nonspendable	40,328	-	-	40,328
Restricted	100,392	-	-	100,392
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	754,931	-	-	754,931
Total Fund Balances	895,651	-	-	895,651
Total Liabilities and Fund Balances	$ 1,251,900	$ 14,350	$ 33,090	$ 1,299,340

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Fund Balance - Governmental Funds		$ 895,651
Capital assets and right to use assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	$ 3,790,521	
Less accumulated depreciation and amortization	(1,737,677)	
		2,052,844
Lease liabilities are reported as financing sources in the general fund and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases current liabilities and does not affect the Statement of Activities.		(1,901,056)
Net Position of Governmental Activites		$ 1,047,439

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES				
Federal passed through local school district	$ -	$ 489,339	$ -	$ 489,339
State passed through local school district	4,029,451	-	69,044	4,098,495
Property taxes levied, tax redemptions and excess fees for capital projects	99,657			99,657
Local sales taxes	-	-	62,471	62,471
Other local revenue	1,048,662	-	-	1,048,662
Investment earnings	8,271	-	-	8,271
TOTAL REVENUES	5,186,041	489,339	131,515	5,806,895
EXPENDITURES/EXPENSES				
Basic instruction	2,685,145	142,983	-	2,828,128
Student support services	489,275	346,356	-	835,631
Instructional related technology	144,375	-	-	144,375
Board	24,038	-	-	24,038
General administration	31,639	-	-	31,639
School administration	120,960	-	-	120,960
Facilities acquisition and construction	(121,394)	-	131,515	10,121
Fiscal services	71,823	-	-	71,823
Central services	-	-	-	-
Pupil transportation services	128,608	-	-	128,608
Operation of plant	458,346	-	-	458,346
Maintenance of plant	-	-	-	-
Community activities	475,596			475,596
Debt service				-
Principal payments - lease liability	251,691			251,691
Interest - lease liability	108,367			108,367
Total expenses	4,868,469	489,339	131,515	5,489,323
Excess (deficiency) of revenues over (under) expenses	317,572	-	-	317,572
Net changes in fund balance	317,572	-	-	317,572
Fund balances, July 1, 2025	578,079	-	-	578,079
Fund balances, June 30, 2026	$ 895,651	$ -	$ -	$ 895,651

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITES
JUNE 30, 2026

Net Change in fund balances - governmental funds		$ 317,572
Amounts reported for governmental actvities in the statement of net assets are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	$ 94,574	
Less current year depreciation and amortization	(342,323)	(247,749)
The issuance of noncurrent debt provides current financial resources to governmental funds. This amount represents the current year additions to noncurrent debt	-	
Less current year lease repayments	251,691	251,691
Change in Net Position of Governmental Activities		$ 321,514

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Connections Education Center of the Palm Beaches, Inc. (the "Center") operates as a Charter School pursuant to a Charter School Contract ("the Contract") with the Palm Beach County District School Board, Florida ("the District"). Under the Contract, the Center provides an education to children with Autism Spectrum Disorder grades K-8 who reside in Palm Beach County. The Center was initially formed as a non-profit private school and received a tax-exempt designation effective April 20, 2015. The governing body of the Center is the Board of Directors, which is composed of eight members.

The Center is a non-profit organization and is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The general operating authority of the Center is contained in Section 1002.33, Florida Statutes. The current charter is for a term of 10 school years commencing with the 2022 - 2023 school year. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the Center in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

Criteria for determining if other entities are potential component units which should be reported within the Center's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards,* Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Center is financially accountable and other organizations for which the nature and significance of their relationship with the Center are such that exclusion would cause the Center's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Center.

As a result of implementing GASB 61, *The Financial Reporting Entity: Omnibus*, the District and its auditors are of the opinion that the Center is no longer to be treated as a component unit for financial reporting purposes. There is no change in the relationship with the District or the District's oversight or monitoring responsibilities.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the Center. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the Center does not engage in any business type activities.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-Wide and Fund Financial Statements (continued)

Net position, the difference between assets and liabilities, as presented in the statement of net position, are subdivided into three categories: amounts invested in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the Center has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash.

- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the Center's highest level of decision-making authority. Commitments may be changed or lifted only by the Center taking the same formal action that imposed the constraint originally.

- Assigned fund balance - comprises amounts intended to be used by the Center for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-Wide and Fund Financial Statements (continued)

- Unassigned fund balance - the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Separate fund financial statements report detailed information about the Center's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All the Center's funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

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

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Center reports the following major governmental funds:

General Fund — the general operating fund of the Center. It is used to account for all financial resources not required to be accounted for in another fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Special Revenue Fund – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - to account for the proceeds Capital Outlay and other revenues that are legally restricted to expenditures for capital projects.

The Center has a revenue spending policy that provides for programs with multiple revenue sources. The board of directors will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds and funds passed through the District. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The board of directors has the authority to deviate from this policy if it is in the best interest of the Center.

4. Budgetary Basis of Accounting

The Center's annual budgets are adopted for the entire operations of the Center and may be amended by the Board of Directors (the "Board"). Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

5. Cash

Cash is made up of cash on hand at the Center and/or checking and a money market account held at one financial institution. The Center has no cash equivalents.

6. Capital Assets

Capital assets, which include property, plant, and equipment and right-to-use lease assets, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the Center as assets with an initial individual cost of more than $1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. For the year ended June 30, 2026, the Center recorded net capital assets of $2,052,844.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Asset Type	Estimated Useful Lives
Furniture, fixtures, and equipment	5 - 10
School bus	5 - 10
Right-to-use lease assets	2 - 12

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

7. Revenue Sources and local tax revenues

Revenues for current operations are received primarily from the State of Florida passed through the District to the Center pursuant to the funding provisions included in the Center's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the Center reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the Center is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the Center during designated FTE student survey periods.

The Center receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

The Center also receives local property tax collections distributed through the local school district based on statutory funding formulas or millage allocations. Property taxes are recognized as revenue in the fiscal year for which the taxes are levied and budgeted, provided they are measurable and available.

In addition, The Center receives allocations from local discretionary surtaxes or county-wide infrastructure/educational sales taxes. Sales tax revenues are generated by local commercial transactions and remitted to the Center through the School District of Palm Beach County. These revenues are recognized in the accounting period in which the underlying sales transactions occur and the revenues are collectible. When the sales tax allocation is not fully receive by June 30 each year, an accrual is recorded for the remaining amount owed to the Center.

Additionally, miscellaneous revenues are derived from various fundraising activities and private donations.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Use of Estimates

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

9. Income taxes

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the accompanying financial statements.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Center's federal income tax returns for 2024-2026 remain subject to examination by major tax jurisdictions.

10. Leases

The Center follows GASB issued Statement on the Governmental Accounting Standards Board (GASB) No. 87 – *Leases*. This statement requires the recognition of certain lease assets and liabilities for leases. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See Notes C and H for additional information about the Center's leases.

11. Recent accounting pronouncement

For the fiscal year ended June 30, 2026, the Center implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement updates the financial reporting model framework to enhance the decision-making usefulness and accountability of the financial statements.

The primary impacts of adopting GASB 103 on the Center's financial statements include:

Management's Discussion and Analysis (MD&A): The structure has been condensed to focus specifically on five objective sections with enhanced requirements for explaining the *why* behind year-over-year operational variances.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Comparison Reporting: Budgetary comparison schedules have been moved entirely into the Required Supplementary Information (RSI) section. The schedules now present a variance column comparing the original budget to the final budget, and the final budget to actual expenditures, labeled as "over (under)".

Capital Asset Disclosures: Footnote disclosures for capital assets have been modified to isolate and separately track lease assets, subscription-based information technology arrangements (SBITAs), and capital assets held for sale.

NOTE B – CONCENTRATIONS

1. Revenue Sources

As stated in Note A-7, the Center receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
Federal grants through local district	$ 489,339
State funding through local district	4,098,495
Local revenue – property and sales tax	162,128
Investment earnings	8,271
Donations, aftercare and other revenue	1,048,662
	$5,806,895

2. Cash

Under Chapter 280, Florida Statutes, the Center's deposits must be placed in banks and savings and loans which are qualified as public depositories. The Center maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool.

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026 was as follows:

	Balance at June 30, 2026	Additions	Adjustments and Deletions	Balance at June 30, 2026
Capital assets depreciated and amortized:				
Furniture, fixtures and equipment	$ 462,527	$ 94,574	$ -	$ 557,101
Right-to-use leased assets	2,952,657	-	-	2,952,657
Buses	280,763	-	-	280,763
Total assets depreciated and amortized	$ 3,695,947	$ 94,574	$ -	$ 3,790,521
Less Accumulated depreciation and amortization				
Furniture, fixtures and equipment	$ 210,715	$ 46,313	$ -	$ 257,029
Right-to-use leased assets	1,075,497	273,080	-	1,348,576
Buses	109,142	22,931	-	132,072
Total assets depreciated and amortized	$1,395,353	$ 342,324	$ -	$ 1,737,677
Total governmental activities Capital assets, net				$ 2,052,844

Depreciation and amortization expense of $342,324 was charged to the basic instruction ($13,426), instructional-related technology ($6,425), school administration ($2,278), facilities acquisition ($268,502), plant operation ($28,761) and transportation services ($22,931) functions for the year ended June 30, 2026.

NOTE D – ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due related to capital outlay as well as miscellaneous amounts due from the before and aftercare program. Based on historical collections, management is of the opinion that the balance is fully collectible on June 30, 2026 and has not established an allowance for credit losses.

NOTE E – COMMITMENTS AND CONTINGENCIES

The Center receives most of its funding from the District through the Florida Education Finance Program (FEFP), which is based on the number of full-time equivalent (FTE) students attending the Center. The FTE count is subject to audit and if discrepancies are found, it could result in funds owed to the state or future decreases in funding. If any such errors were found, management has taken the position that any funds to be refunded would not be material to the Center's net financial position.

NOTE E – COMMITMENTS AND CONTINGENCIES (continued)

In the normal course of conducting its operations, the Center may become party to legal actions and proceedings. Management has determined that the ultimate resolution of such legal matters, if any, will not have a significant effect on the accompanying financial statements.

NOTE F – DEFINED CONTRIBUTION PLAN

The Center offers a defined contribution plan named Connections Education Center of the Palm Beaches 403(b) Plan. To be eligible to participate in the plan, participants must be at least 18 years old. Participants can elect to contribute up to 100% of their salary, subject to annual IRS limitations. The plan states that the Center will not make any contributions to the plan. Therefore, for the year ended June 30, 2026, the Center made no contribution to the plan.

NOTE G – DUE FROM RELATED PARTY

During the year ended June 30, 2026, the Center shared certain employee and rent expenses with a high school located at the same facility. The allocation of shared costs (primarily payroll and related benefits) was based on student count in both schools which resulted in 75% of the shared costs being allocated to the Center. The Center pays the monthly rent, and the high school reimburses them for their portion. The rent allocation is based on square footage per the sublease, and this resulted in the Center paying approximately 67% of total rent for the year ended June 30, 2026. These are considered arms-length transactions and on June 30, 2026, the related party owed the Center $996,937. Management has determined this amount to be 100% collectible as the related party received substantial pledges for the upcoming fiscal year.

NOTE H – NONCURRENT LIABILITIES

The Center has a lease agreement for its premises. In September 2022, the landlord sold the building and the new landlord entered into an amended lease agreement for the premises which provided the Center with a lease through June 30, 2032. The amended lease also includes two additional five-year terms if the Center so chooses to extend. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2026. In addition, the school leased some equipment with terms that run through June 2029. For the year ended June 30, 2026, interest expense totaled $101,632, as it relates to its lease agreements. For 2026, there were no variable payments related to the lease agreements.

NOTE H – NONCURRENT LIABILITIES (continued)

The following table summarizes the Center's future debt service as of June 30, 2026:

Year ending June 30,	Lease liability Principal	Lease liability Interest
2027	$ 260,897	$ 88,944
2028	302,465	75,028
2029	326,308	59,416
2030	342,954	42,781
2031	370,476	26,867
Thereafter	297,956	8,102
Total	$1,901,057	$ 301,139

Changes in long term lease liabilities during the year are as follows:

	Balance 07/01/25	Additions	Payments	Balance 06/30/26
Lease liability	$ 2,152,748	$ -	$ (251,691)	$ 1,901,057

NOTE I - RISK MANAGEMENT

The Center is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Center purchases commercial insurance for all material risks of loss to which the Center is exposed, including general liability, property and workers compensation.

The Center did not have any settlements that exceeded insurance coverage for the years ended June 30, 2024 – 2026.

NOTE J – ENDOWMENT

On June 18, 2021, the Center established the Connections Education Center Endowment Fund through the Community Foundation for Palm Beach and Martin Counties with a $50,000 contribution. These funds are presented on the statement of net position as an investment and restricted net position. These funds, plus future contributions and subsequent earnings are restricted in nature as the Center does not have control over access to them. At the current time, no funds shall be distributed from the endowment.

NOTE K – RESTRICTED NET POSITION

As previously noted, the Center funded an endowment for $50,000 in June 2021. This amount has been recorded as part of restricted net position. In addition, the Center received donations in prior years that were restricted in their use to purchase a new playground. The Center plans on purchasing some additional equipment fiscal year June 30, 2027. Total restricted net position as of June 30, 2026 was $100,392.

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September xx, 2026, which is the date the financial statements became available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Original Budget	Final Budget	Actual	Variance: Original to Final Budget Over / (Under)	Variance: Final Budget to Actual Over / (Under)
Revenues					
Federal passed through local school district	$ -	$ -	$ -	$ -	$ -
State passed through local school district	4,016,000	4,016,000	4,029,451	-	13,451
Property taxes levied, tax redemptions and excess fees for capital projects	-	-	99,657	-	
Local sales taxes	-	-	-	-	
Other local revenue	1,349,920	1,349,920	1,048,662	-	
Investment earnings	-	-	8,271	-	8,271
Total revenues	5,365,920	5,365,920	5,186,041	-	21,722
Expenses					
Basic instruction	2,768,991	2,768,991	2,685,145	-	(83,846)
Student support services	597,031	597,031	489,275	-	(107,756)
Instructional related technology	-	-	144,375	-	144,375
Board	50,500	50,500	24,038	-	(26,462)
General administration	-	-	31,639	-	31,639
School administration	251,486	251,486	120,960	-	(130,526)
Facilities acquisition and construction	313,520	313,520	(121,394)	-	(434,914)
Fiscal services	104,923	104,923	71,823	-	(33,100)
Central services	-	-	-	-	-
Pupil transportation services	184,339	184,339	128,608	-	(55,731)
Operation of plant	567,657	567,657	458,346	-	(109,311)
Maintenance of plant	-	-	-	-	-
Community activities	389,908	389,908	475,596	-	85,688
Debt service					
Principal payments - lease liability	-	-	251,691	-	251,691
Interest - lease liability	-	-	108,367	-	108,367
Total expenses	5,228,355	5,228,355	4,868,469	-	(359,886)
Excess (deficiency) of revenues over (under) expenses	137,565	137,565	317,572	-	381,608
Net change in fund balance	137,565	137,565	317,572	-	381,608
Fund balance, July 1, 2025	578,079	578,079	578,079	-	-
Fund balance, June 30, 2026	$ 715,644	$ 715,644	$ 895,651	$ -	$ 381,608

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Original Budget	Final Budget	Actual	Variance: Original to Final Budget Over / (Under)	Variance: Final Budget to Actual Over / (Under)
Revenues					
Federal passed through local school district	$ 421,784	$ 421,784	$ 489,339	$ -	$ 67,555
State passed through local school district	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	421,784	421,784	489,339	-	67,555
Expenses					
Basic instruction	115,807	115,807	142,983	-	27,176
Student support services	305,977	305,977	346,356	-	40,379
Instructional related technology	-	-	-	-	-
Board	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Fiscal services	-	-	-	-	-
Central services	-	-	-	-	-
Pupil transportation services	-	-	-	-	-
Operation of plant	-	-	-	-	-
Maintenance of plant	-	-	-	-	-
Community activities	-	-	-	-	-
Debt service	-	-	-	-	-
Principal payments - lease liability	-	-	-	-	-
Interest - lease liability	-	-	-	-	-
Total expenses	421,784	421,784	489,339	-	67,555
Revenues over expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, July 1, 2025	-	-	-	-	-
Fund balance, June 30, 2026	$ -	$ -	$ -	$ -	$ -

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
JUNE 30, 2026

NOTE 1: BASIS OF PRESENTATION

The budget schedule presents the original and final budget on the same basis of accounting used by the Center for its financial statements.

NOTE 2: SIGNIFICANT ORIGINAL-TO-FINAL BUDGET VARIATIONS

None. All original budget amounts equal final.

NOTE 3: SIGNIFICANT FINAL BUDGET-TO-ACTUAL VARIATIONS

There are significant variances in the student support services and instructional related technology functions as the Center does not segregate anticipated costs between the two. Instead, the budget includes only one line item for student support services, but it does not include a line item for instructional related technology. Combined, the variance is not considered to be material.

The school administration function is approximately 50% less than budgeted because the Center let go of some office personnel early in the school year which reduced the actual expenses in this function.

The Center records all its rent costs to the facilities and acquisition function in its budget. However, for financial reporting, the rent payments are reflected as principal and interest payments on the operating lease debt service. When the two functions are combined, the variance is not considered to be significant.

The Center budgeted a higher amount than actually incurred in the operation of plant function based on the prior year costs. The Center was able to reduce their property insurance costs and reduce staff, which lead to the budget variance.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
JUNE 30, 2026

NOTE 1: BASIS OF PRESENTATION

The budget schedule presents the original and final budget on the same basis of accounting used by the Center for its financial statements.

NOTE 2: SIGNIFICANT ORIGINAL-TO-FINAL BUDGET VARIATIONS

None. All original budget amounts equal final.

NOTE 3: SIGNIFICANT FINAL BUDGET-TO-ACTUAL VARIATIONS

There is no significant final budget to actual variations to note.

GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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

To the Board Members of
Connections Education Center of the Palm Beaches, Inc.
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of governmental activities and each major fund the Connections Education Center of the Palm Beaches, Inc., (the "Center," a nonprofit organization), a charter school, as of and for the fiscal year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Connections Education Center of the Palm Beaches, Inc.'s basic financial statements, and have issued our report thereon dated September 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Boca Raton, Florida
September 29, 2026

Management Letter as Required by the Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, *Charter School Audits*

To the Board of Directors of
Connections Education Center of the Palm Beaches, Inc.
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Connections Education Center of the Palm Beaches, Inc., Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 29, 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 29, 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 findings noted in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Connections Education Center of the Palm Beaches, Inc. and 504100.

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Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Connections Education Center of the Palm Beaches, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Connections Education Center of the Palm Beaches, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the Connections Education Center of the Palm Beaches, Inc. It is management's responsibility to monitor the Connections Education Center of the Palm Beaches, Inc.'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.

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 the Connections Education Center of the Palm Beaches, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Connections Education Center of the Palm Beaches, Inc. 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 is likely to have occurred, that has 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 County School District and is not intended to be and should not be used by anyone other than these specified parties.



Boca Raton, FL
September 29, 2026