



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

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

Boynton Beach, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2021

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

2020-2021

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Elanit Weizman, Principal



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ben Gamla Palm Beach (the "School"), a charter school under The National Ben Gamla Charter School Foundation, Inc., as of, and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ben Gamla Palm Beach as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Ben Gamla Palm Beach as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The National Ben Gamla Charter School Foundation, Inc. These financial statements do not purport to and do not present fairly the financial position of The National Ben Gamla Charter School Foundation, Inc. as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021

Management's Discussion and Analysis
Ben Gamla Palm Beach
(A Charter School under The National Ben Gamla Charter School Foundation, Inc.)
June 30, 2021

The corporate officers of The National Ben Gamla Charter School Foundation, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

1. The net position of the School as of June 30, 2021 was \$1,286,771.
2. At year-end, the School had current assets on hand of \$393,618.
3. The School had an increase in its net position of \$45,851 for the year ended June 30, 2021.
4. The unassigned fund balance at year end was \$72,465.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 15-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$1,286,771 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 22,849	\$ 29,888
Investment	190,000	185,000
Cash, restricted	976,442	954,496
Prepaid expenses	75,180	21,437
Deposits receivable	12,500	12,500
Due from other agencies	93,089	9,725
Grant receivable	-	65,000
Capital assets, net	<u>54,041</u>	<u>58,025</u>
Total Assets	<u>1,424,101</u>	<u>1,336,071</u>
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	52,390	22,273
Salaries and wages payable	<u>84,940</u>	<u>78,915</u>
Total Liabilities	<u>137,330</u>	<u>101,188</u>
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	54,041	58,025
Restricted	976,442	954,496
Unrestricted	<u>256,288</u>	<u>222,362</u>
Total Net Position	<u>\$1,286,771</u>	<u>\$1,234,883</u>

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

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 155,433	\$ 14,610
Capital outlay funding	132,096	124,084
General Revenues		
Local sources (FTE and other non specific revenues)	2,047,807	1,945,375
Other revenue	<u>42,169</u>	<u>101,035</u>
Total Revenues	<u>\$2,377,505</u>	<u>\$2,185,104</u>
EXPENSES		
Instruction	\$1,259,080	\$1,307,161
Student support services	3,306	-
Instructional staff training	1,037	4,551
Board	83,420	17,706
School administration	463,408	459,511
Fiscal services	37,800	36,825
Food services	7,883	14,919
Central services	52,059	55,003
Operation of plant	296,792	265,745
Maintenance of plant	29,008	30,602
Administrative technology services	-	2,779
Community services	32,861	-
Debt service	<u>65,000</u>	<u>-</u>
Total Expenses	<u>2,331,654</u>	<u>2,194,802</u>
Change in Net Position	45,851	(9,698)
Net Position at Beginning of Year, as restated	<u>1,240,920</u>	<u>1,244,581</u>
Net Position at End of Year	<u>\$1,286,771</u>	<u>\$1,234,883</u>

In the current year, the School's revenues and expenses increased by \$192,401 and \$136,852, respectively. The School had an increase in its net position of \$45,851 for the year.

School Location and Lease of Facility

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

Capital Improvement Requirements

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

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

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

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$1,136,587. The fund balance unassigned and available for spending at the School's discretion is \$72,465. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2021 amounts to \$54,041 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture, fixtures and computer equipment. As of June 30, 2021, the School had no long term debt relating to capital assets.

Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	\$ 130,501	\$ 130,850	\$ 132,096
Federal sources	71,522	72,665	73,109
Lunch program	15,663	16,451	17,001
General Revenues			
FTE and other nonspecific revenues	2,001,933	2,045,023	2,047,807
Charges and other revenues	15,500	23,511	25,168
Total Revenues	<u>\$ 2,235,119</u>	<u>\$ 2,288,500</u>	<u>\$ 2,295,181</u>
CURRENT EXPENDITURES			
Instruction	\$ 1,258,520	\$ 1,248,941	\$ 1,244,400
Student support services	11,566	4,273	3,306
Instructional staff training	2,500	2,000	1,037
Board	53,781	83,950	83,420
School administration	473,233	463,698	462,510
Fiscal services	37,125	37,800	37,800
Food services	14,112	10,584	7,883
Central services	47,125	53,800	52,059
Operation of plant	301,770	291,858	289,518
Maintenance of plant	29,000	22,500	25,642
Community services	33,560	32,861	32,861
Total Current Expenditures	<u>\$ 2,262,292</u>	<u>\$ 2,252,265</u>	<u>\$ 2,240,436</u>

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

Requests for Information

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

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

Statement of Net Position
June 30, 2021

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 22,849
Investment	190,000
Prepaid expenses	75,180
Deposits and other receivables	12,500
Due from other agencies	93,089
Total current assets	393,618
Capital assets, depreciable	224,167
Less: accumulated depreciation	(170,126)
	54,041
Cash, restricted	976,442
Total Assets	1,424,101
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued expenses	52,390
Salaries and wages payable	84,940
Total Liabilities	137,330
<u>Deferred Inflows of Resources</u>	-
Net Position:	
Net investment in capital assets	54,041
Restricted	976,442
Unrestricted	256,288
Total Net Position	\$ 1,286,771

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

Statement of Activities
For the year ended June 30, 2021

Primary Government	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,259,080	\$ -	\$ 155,433	\$ -	\$ (1,103,647)
Student support services	3,306	-	-	-	(3,306)
Instructional staff training	1,037	-	-	-	(1,037)
Board	83,420	-	-	-	(83,420)
School administration	463,408	-	-	-	(463,408)
Fiscal services	37,800	-	-	-	(37,800)
Food services	7,883	-	-	-	(7,883)
Central services	52,059	-	-	-	(52,059)
Operation of plant	296,792	-	-	132,096	(164,696)
Maintenance of plant	29,008	-	-	-	(29,008)
Community services	32,861	17,001	-	-	(15,860)
Debt service	65,000	-	-	-	(65,000)
Total governmental activities	2,331,654	17,001	155,433	132,096	(2,027,124)
General revenues:					
FTE and other nonspecific revenues					2,047,807
Other revenues					25,168
Change in net position					45,851
Net position, beginning, as restated					1,240,920
Net position, ending					\$ 1,286,771

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

Balance Sheet - Governmental Funds
June 30, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash	\$ 9,030	\$ 13,819	\$ 22,849
Investment	190,000	-	190,000
Cash, restricted	976,442	-	976,442
Prepaid expenses	75,180	-	75,180
Deposits and other receivables	12,500	-	12,500
Due from other agencies	-	10,765	10,765
Due from fund	10,765	-	10,765
Total Assets	1,273,917	24,584	1,298,501
Deferred Outflows of Resources			
	-	-	-
<u>Liabilities</u>			
Salaries and wages payable	84,940	-	84,940
Accounts payable and accrued expenses	52,390	-	52,390
Due to fund	-	10,765	10,765
Total Liabilities	137,330	10,765	148,095
Deferred Inflows of Resources			
	-	-	-
<u>Fund balance</u>			
Nonspendable, not in spendable form	87,680	-	87,680
Restricted	976,442	-	976,442
Assigned	-	13,819	13,819
Unassigned	72,465	-	72,465
	1,136,587	13,819	1,150,406
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,273,917	\$ 24,584	\$ 1,298,501

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

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds \$ 1,150,406

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

Capital assets of \$224,167 net of accumulated depreciation of \$170,126 used in governmental activities are not financial resources and therefore are not reported in the fund. 54,041

Receivables in governmental activities that are not collected within 60 days are not current financial resources and therefore are not reported in the governmental funds. 82,324

Total Net Position - Governmental Activities \$ 1,286,771

Ben Gamla Palm Beach

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

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
State passed through local	\$ 2,047,807	\$ -	\$ 2,047,807
State capital outlay funding	-	132,096	132,096
Federal sources	-	73,109	73,109
Other revenue	25,168	17,001	42,169
Total Revenues	2,072,975	222,206	2,295,181
Expenditures:			
Current			
Instruction	1,088,967	155,433	1,244,400
Student support services	3,306	-	3,306
Instructional staff training	1,037	-	1,037
Board	83,420	-	83,420
School administration	462,510	-	462,510
Fiscal services	37,800	-	37,800
Food services	7,883	-	7,883
Central services	52,059	-	52,059
Operation of plant	157,422	132,096	289,518
Maintenance of plant	25,642	-	25,642
Community services	-	32,861	32,861
Capital Outlay:			
Other capital outlay	22,234	-	22,234
Total Expenditures	1,942,280	320,390	2,262,670
Excess (deficit) of revenues over expenditures	130,695	(98,184)	32,511
Other financing sources (uses)			
Transfers in (out)	(105,966)	105,966	-
Repayment of recoverable grant	(65,000)	-	(65,000)
Net change in fund balance	(40,271)	7,782	(32,489)
Fund Balance at beginning of year, as restated	1,176,858	6,037	1,182,895
Fund Balance at end of year	\$ 1,136,587	\$ 13,819	\$ 1,150,406

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2021

Net Change in Fund Balance - Governmental Funds \$(32,489)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$22,234 differed from depreciation expense of \$26,218. (3,984)

Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds. 82,324

Change in Net Position of Governmental Activities \$ 45,851

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

The School is located in Boynton Beach, Florida. It is approved to serve students in kindergarten through eighth grade for the 2020-2021 school year. These financial statements are for the year ended June 30, 2021, when on average 252 students were enrolled for the school year.

Basis of presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Government-wide and Fund Financial Statements

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

These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, and other miscellaneous sources.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

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

Measurement Focus and Basis of Accounting

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

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined.

"Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

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

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash and Investments

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

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Inter-fund Transfers

Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

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

Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

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

Compensated Absences

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

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years. The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

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

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

Revenue Sources

Revenues for current operations are received primarily from the State through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

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

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

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Net position and Fund balance classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. Restricted net assets are related to an investment in commercial time deposits that serve as collateral for an outstanding loan obligation (Note 5).
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment capital assets".

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories and prepaid expenses.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance represents investment in commercial time deposits that serve as collateral for an outstanding loan obligation (Note 5).
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance at year end pertains to the School's Internal Account.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

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

New Accounting Standard Adopted

In fiscal year 2021, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 84 *Fiduciary Activities*. See Note 10.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 87 *Leases*, effective fiscal year 2022, that will affect the future financial position, results of operations, or financial presentation of the School upon implementation. The adoption of GASB 87 will have a material impact on the School's financial position and results of operations. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Use of Estimates

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 29, 2021, which is the date the financial statements were available to be issued.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 2 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the period ended June 30, 2021:

	Balance 07/01/20	Additions	Retirements / Reclassification	Balance 06/30/21
Capital Assets, non-depreciable:				
Construction in progress	\$ 9,000	\$ -	\$ (9,000)	\$ -
Capital Assets, depreciable:				
Buildings and improvements	53,607	9,599	6,287	69,493
Computer equipment and software	43,787	4,735	(4,089)	44,433
Furniture, equipment and textbooks	104,341	7,900	(2,000)	110,241
Total Capital Assets	<u>210,735</u>	<u>22,234</u>	<u>(8,802)</u>	<u>224,167</u>
Less Accumulated Depreciation:				
Buildings and improvements	(50,893)	(3,367)	-	(54,260)
Computer equipment and software	(32,234)	(6,313)	4,089	(34,458)
Furniture, equipment and textbooks	(69,583)	(16,538)	4,713	(81,408)
Total Accumulated Depreciation	<u>(152,710)</u>	<u>(26,218)</u>	<u>8,802</u>	<u>(170,126)</u>
Capital Assets, net	<u>\$ 58,025</u>	<u>\$ (3,984)</u>	<u>\$ -</u>	<u>\$ 54,041</u>

For the fiscal year ended June 30, 2021, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 14,680
Operation of plant	7,274
Maintenance of plant	3,366
Food services	898
Total Depreciation Expense	<u>\$ 26,218</u>

Note 3 – Cash and Investments

Deposits

The School maintains its cash and cash equivalents in one financial institution. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under The National Ben Gamla Charter School Foundation, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of The National Ben Gamla Charter School Foundation, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage was approximately \$998,000.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 3 – Cash and Investments (continued)

At June 30, 2021, the School had \$410,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2021, maturities of the fund's portfolio holdings are approximately 79% within 30 days.

Credit Risk

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

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2021, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

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

Note 4 – Education Service and Support Provider

Academica Broward, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting, financial reporting and virtual education services. The agreement between the School and Academica Broward, LLC calls for a fee on a per student basis.

The agreement is with The National Ben Gamla Charter School Foundation, Inc. through June 30, 2022, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2021, the School incurred \$113,400 in fees, approximately \$12,000 of which is included in accounts payable as of June 30, 2021.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

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

The National Ben Gamla Charter School Foundation, Inc. charges its affiliated charter schools an assessment for shared corporate costs and accreditation expenses. Ben Gamla Palm Beach paid The National Ben Gamla Charter School Foundation, Inc. \$37,800 in connection with these charges during the year.

Restricted Cash

The School entered into a commercial time deposit with a financial institution in the amount of \$932,787 accruing interest at an annual percentage yield of 2.3%. The deposit renews in 60 day intervals and matures on January 23, 2023. All accrued interest will be paid at maturity. The deposit services as collateral on a loan obligation of The National Ben Gamla Charter School Foundation, Inc. with a maturity date of January 23, 2023, and is classified as restricted on the statements of net position and fund balance in the basic financial statements. The total restricted balance including accrued interest amounts to \$976,442.

Recoverable Grant

During the prior school year, the School received a recoverable grant of \$65,000 from The National Ben Gamla Charter School Foundation, Inc. The purpose of this grant is for the School to fund operating expenses. Under the terms, the School would repay the corporate account of The National Ben Gamla Charter School Foundation, Inc. contingent on subsequently meeting certain financial conditions. To date, management has determined that the School has met the requirements for repayment under the grant terms and the School repaid the \$65,000 during the school year.

Note 6 – Commitments, Contingencies and Concentrations

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

Under the agreement, current minimum annual rental payments are \$78,750. The agreement continued through June 30, 2021 with one five-year option to renew. The School exercised their extension option and the lease was extended for an additional five years at a minimum annual rent payment of \$81,750. The agreement includes additional charges for utilities, janitorial and maintenance services.

During year, the School and the Jewish Community Center of the Greater Palm Beaches agreed to terminate the usage agreement for the use of a gymnasium and other recreational facilities.

For 2021, rent expense including direct facility expenses paid totaled \$132,300. Future minimum commitments under the lease is as follows:

<u>Year</u>		
2022	\$	81,750
2023	\$	81,750
2024	\$	81,750
2025	\$	81,750
2026	\$	81,750

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

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

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

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

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of up to 5% of the qualifying revenues of the School up to and including 250 students. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$101,405.

Note 7 – Interfund Transfers

Interfund transfers as of June 30, 2021 was as follows:

	General Fund	Non-Major Funds
To fund ESSER expenditures for which revenues were not available	\$ (48,600)	\$ 48,600
To fund GEER's expenditures for which revenues were not available	(33,724)	33,724
Transfer funds to the Special Revenue Fund for the Internal Account	(23,642)	23,642
Total Transfers, net	<u>\$ (105,966)</u>	<u>\$ 105,966</u>

Due from/(Due to) fund balances are as follows:

Due to General Fund from Capital Projects Fund for capital outlay	\$ 10,765	\$ (10,765)
Total Due from/(Due to)	<u>\$ 10,765</u>	<u>\$ (10,765)</u>

Note 8 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

Ben Gamla Palm Beach

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

Notes to Financial Statements

June 30, 2021

Note 8 – Risk Management (continued)

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

Note 9 – Defined Contribution Retirement Plan

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 50% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed to the Plan \$11,323 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya Financial.

Note 10 – Implementation of GASB 84

As of July 1, 2020, the School implemented GASB Statement No. 84. Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that activities be reported in a fiduciary fund in the basic financial statements. Items previously reported as part of the agency fund classification of the Fiduciary Fund statements were reviewed to evaluate if they met the new custodial funds criteria. The School identified the School’s internal account as non-fiduciary and re-categorized them assigned in the Special Revenue Fund.

The government-wide net position and fund balances were restated as a result of the implementation of GASB Statement No. 84 as follows:

	Fiscal Year June 30, 2020 Original	GASB Statement No.84	Fiscal Year June 30, 2021 (Restated)
Net change in fund balances	\$ (5,874)		\$ (5,874)
Fund balances (deficit) at beginning	1,182,732		1,182,732
Restatement of beginning fund balances	-	6,037	6,037
Fund balances (deficit) at the end of year	<u>\$ 1,176,858</u>		<u>\$ 1,182,895</u>
Change in net position	\$ (9,698)		\$ (9,698)
Net position (deficit), beginning	1,244,581		1,244,581
Restatement of beginning net position	-	6,037	6,037
Net position (deficit), ending	<u>\$ 1,234,883</u>		<u>\$ 1,240,920</u>

REQUIRED SUPPLEMENTARY INFORMATION

Ben Gamla Palm Beach

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 2,001,933	\$ 2,045,023	\$ 2,047,807
Other revenue	15,500	23,511	25,168
Total Revenues	<u>2,017,433</u>	<u>2,068,534</u>	<u>2,072,975</u>
EXPENDITURES			
Current:			
Instruction	1,099,554	1,090,954	1,088,967
Student support services	11,566	4,273	3,306
Instructional staff training	2,500	2,000	1,037
Board	53,781	83,950	83,420
School administration	473,233	463,698	462,510
Fiscal services	37,125	37,800	37,800
Food services	14,112	10,584	7,883
Central services	47,125	53,800	52,059
Operation of plant	168,229	159,303	157,422
Maintenance of plant	29,000	22,500	25,642
Total Current Expenditures	<u>1,936,225</u>	<u>1,928,862</u>	<u>1,920,046</u>
Excess/(Deficit) of Revenues Over Current Expenditures	<u>81,208</u>	<u>139,672</u>	<u>152,929</u>
Capital Outlay	24,500	22,500	22,234
Total Expenditures	<u>1,960,725</u>	<u>1,951,362</u>	<u>1,942,280</u>
Excess/(Deficit) of Revenues Over Expenditures	56,708	117,172	130,695
Other financing sources (uses):			
Transfers in (out)	(108,381)	(103,437)	(105,966)
Repayment of recoverable grant	<u>-</u>	<u>(65,000)</u>	<u>(65,000)</u>
Net change in fund balance	(51,673)	(51,265)	(40,271)
Fund Balance at beginning of year	<u>1,176,858</u>	<u>1,176,858</u>	<u>1,176,858</u>
Fund Balance at end of year	<u>\$ 1,125,185</u>	<u>\$ 1,125,593</u>	<u>\$ 1,136,587</u>

Notes to Budgetary Comparison Schedule

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ben Gamla Palm Beach (the "School") as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

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

We issued a separate management letter dated September 29, 2021 pursuant to Chapter 10.850, Rules of the Auditor General.

Purpose of this report

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

A handwritten signature in blue ink that reads "HLB Gravier, LLP". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Ben Gamla Palm Beach, Florida as of and for the year ended June 30, 2021 and have issued our report thereon dated September 29, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 29, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings and recommendations made in the preceding financial audit report.

Official Title

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

Financial Condition and Management

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

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have no such recommendations.

Transparency

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

Additional Matters

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

Purpose of this Letter

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021