

**BODWELL ACADEMY
A COMPONENT OF THE
ARC OF PALM BEACH
COUNTY, INC.**

**Financial Statements
and Supplementary
Information**

June 30, 2025

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13
SUPPLEMENTAL INFORMATION	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	14-15
MANAGEMENT LETTER	16-17
CURRENT YEAR MANAGEMENT RECOMMENDATIONS	18



INDEPENDENT AUDITOR'S REPORT

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bodwell Academy which is a component unit of The Arc of Palm Beach County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bodwell Academy as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bodwell Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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.

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of Bodwell Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bodwell Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bodwell Academy's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 26, 2025

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash	\$ 12,455	\$ 6,576
Accounts receivable, net	65,502	58,199
Due from the Arc (a related party)	464,688	147,446
Property and equipment, net	73,867	68,874
Total assets	\$ 616,512	\$ 281,095
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 44,355	\$ 52,026
Total liabilities	44,355	52,026
NET ASSETS		
Without donor restrictions	400,150	75,047
With donor restrictions	172,007	154,022
Total net assets	572,157	229,069
Total liabilities and net assets	\$ 616,512	\$ 281,095

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

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUES						
Fees and grants from government agencies	\$ 2,004,768	\$ -	\$ 2,004,768	\$ 1,420,629	\$ -	\$ 1,420,629
Gifts, grants, and bequests	144,732	109,198	253,930	80,120	26,897	107,017
Non-financial rent	16,000	-	16,000	16,000	-	16,000
Net assets released from restrictions	91,213	(91,213)	-	9,936	(9,936)	-
	2,256,713	17,985	2,274,698	1,526,685	16,961	1,543,646
EXPENSES						
Instruction	1,000,737	-	1,000,737	542,324	-	542,324
School administration	854,853	-	854,853	2,381,523	-	2,381,523
Operation of plant	262,904	-	262,904	160,620	-	160,620
	2,118,494	-	2,118,494	3,084,467	-	3,084,467
CHANGE IN NET ASSETS	138,219	17,985	156,204	(1,557,782)	16,961	(1,540,821)
TRANSFER OF NET ASSETS	186,884	-	186,884	-	-	-
NET ASSETS, BEGINNING OF PERIOD	75,047	154,022	229,069	1,632,829	137,061	1,769,890
NET ASSETS, END OF PERIOD	\$ 400,150	\$ 172,007	\$ 572,157	\$ 75,047	\$ 154,022	\$ 229,069

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

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

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2025 and 2024

	2025				2024			
	Instruction	School Administration	Operation of Plant	Total	Instruction	School Administration	Operation of Plant	Total
Salaries	\$ 595,144	\$ 182,163	\$ 68,014	\$ 845,321	\$ 284,042	\$ 15,737	\$ 37,923	\$ 337,702
Employee benefits	58,889	68,995	288	128,172	30,717	10,557	130	41,404
Payroll taxes	50,517	13,379	5,933	69,829	21,527	1,196	2,097	24,820
Total salaries and related expenses	704,550	264,537	74,235	1,043,322	336,286	27,490	40,150	403,926
Professional services	282,449	17,736	65,880	366,065	197,384	28,354	68,513	294,251
Management allocation	-	535,957	-	535,957	-	461,147	50	461,197
Insurance	-	12,188	59,320	71,508	-	-	-	-
Miscellaneous	241	823	5,299	6,363	4,060	3,178	485	7,723
Supplies	10,266	1,061	675	12,002	3,679	2,513	9,407	15,599
Transportation	-	9,605	931	10,536	-	7,625	-	7,625
Telephone and postage	589	1,479	-	2,068	-	2,611	1,152	3,763
Training and meetings	1,884	2,397	-	4,281	889	22	-	911
Repairs and maintenance	-	1,113	18,013	19,126	-	175	8,474	8,649
Printing and promotions	159	2,418	4,032	6,609	26	964	539	1,529
Non-financial rent expense	-	-	16,000	16,000	-	-	16,000	16,000
Equipment rental and purchase	-	4,764	617	5,381	-	3,279	182	3,461
Dues and subscriptions	599	775	510	1,884	-	1,183	100	1,283
Debt forgiveness (related party)	-	-	-	-	-	1,842,982	-	1,842,982
Total expenses before depreciation	1,000,737	854,853	245,512	2,101,102	542,324	2,381,523	145,052	3,068,899
Depreciation	-	-	17,392	17,392	-	-	15,568	15,568
Total expenses	\$ 1,000,737	\$ 854,853	\$ 262,904	\$ 2,118,494	\$ 542,324	\$ 2,381,523	\$ 160,620	\$ 3,084,467

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

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

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATIONS		
Change in net assets	\$ 156,204	\$ (1,540,821)
Adjustments to reconcile change in net assets to cash provided by operations:		
Debt forgiveness (related party)	-	1,842,982
Depreciation	17,392	15,568
Increase in accounts receivable	14,223	(47,252)
Increase (decrease) in accounts payable and accrued expenses	(26,887)	34,481
Net cash provided by operations activities	160,932	304,958
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(21,120)	(11,471)
Cash received from merger of SAIL, net	92,824	-
Net cash provided by (used in) investing activities	71,704	(11,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from (advances to) the Arc, net	(226,757)	(565,302)
Net cash used in financing activities	(226,757)	(565,302)
Net change in cash	5,879	(271,815)
Cash, beginning of period	6,576	278,391
Cash, end of period	\$ 12,455	\$ 6,576
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Merger of SAIL Accounts		
Accounts receivable	\$ 10,763	\$ -
Fixed assets	1,265	
Accounts payable	(9,608)	-
Due to the ARC	(341,187)	-
Due from Seagull	432,827	-
Nets assets	(186,884)	-
Cash received	\$ (92,824)	\$ -

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A – SCHOOL AND ACTIVITIES

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

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

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of presentation

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

Net Assets Without Donor Restrictions

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Basis of presentation

Net Assets With Donor Restrictions

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

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

2. Contributed non-financial assets

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

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

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

3. Accounts receivable

Accounts and pledges receivable at June 30, 2025 and 2024 are receivable in less than one year and are stated at the amount of the uncollected balances, adjusted by an allowance for doubtful accounts, if necessary. Management's periodic evaluation of the adequacy of the allowance is based on past experience and adverse situations that may affect the funding service's ability to pay. There was no allowance for doubtful accounts at June 30, 2025 and 2024.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Property and equipment and depreciation

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

5. Revenue Recognition

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

The School receives its revenue from the Florida Education Finance Program (FEFP), Special revenue, and grants. FEFP revenue is recorded in accordance with the funding provisions of the Charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods. Special revenue is recognized as determined by Florida DOE or other authorities. Grants are reported as net assets with donor restrictions if they are received with donor stipulations which limit the use of the donated assets. When donor restrictions expire, that is, when the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

6. Estimates

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Certain risk matters

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

The School maintains cash deposits at several financial institutions located in Palm Beach County, Florida. Deposits located at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and during the year balances may fluctuate above and below this amount. At June 30, 2025 and 2024, the School held approximately \$0 and \$32,900, respectively, in excess of FDIC limits. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

8. Income taxes

The Arc is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has concluded that as of June 30, 2025 there are no uncertain tax positions taken or expected to be taken by the School that would require recognition of a liability (or asset) or disclosure in the financial statements. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. New accounting pronouncements

Effective July 1, 2023, the School adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The School adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the School's financial statements.

10. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on September 26, 2025.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE C – PROPERTY AND EQUIPMENT

Major classifications of property and equipment at June 30, 2025 and 2024 are summarized below:

	<u>2025</u>	<u>2024</u>
Furniture, fixtures, and equipment	\$ 362,522	\$ 339,503
Accumulated depreciation	<u>(288,655)</u>	<u>(270,629)</u>
Property and equipment, net	<u>\$ 73,867</u>	<u>\$ 68,874</u>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled approximately, \$17,400 and \$15,600, respectively.

NOTE D – RELATED PARTY TRANSACTIONS

1. Leasing arrangements

The School occupies a portion of a building owned by the Arc under an informal leasing arrangement. Contributed non-financial rent expense totaled approximately \$16,000 for donated land for 2025 and 2024. The building is on land owned by the School Board and leased to the School pursuant to a long-term lease with the School Board.

2. Allocation of expenses

The Arc allocates certain occupancy and other expenses, including certain payroll and related expenses, utilities, repairs and maintenance, and insurance to the School based on square footage. For the years ended June 30, 2025 and 2024, allocations to the School approximated \$536,000 and \$461,000, respectively.

The Arc also advances funds, as needed, to the School to subsidize its operations. The School received no cash subsidies from the Arc during 2025 and 2024. As of June 30, 2025 and 2024, the School has a due from the Arc balance of approximately \$465,000 and \$147,000, respectively, as shown in the accompanying statements of financial position. The net amounts due from the Arc have no stipulated repayment terms and are non-interest bearing. During 2024, the School forgave \$1,842,982 of the due from the Arc and the amount was included in debt forgiveness (related party) expense on the accompanying financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024 relate to funds pledged for operation of the School and funds received for specific purposes. These restrictions are considered to expire when pledge payments are received and the funds have been expended for the specified purpose. Net assets with donor restrictions as of June 30, 2025 and 2024 are summarized as follows:

	2025	2024
Mary Alice Fortin	\$ 63,704	\$ 63,704
Frenchman's Creek	31,261	48,942
Lattner	23,707	33,083
Mirasol	18,648	-
Kingdom Charitable Trust	15,000	-
School Board of Palm Beach County	11,408	-
Ballen Isles	8,017	937
Childrens Healthcare Charity	262	7,356
	\$ 172,007	\$ 154,022

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

	2025	2024
Lattner	\$ 59,376	\$ 3,207
Frenchman's Creek	17,682	-
Childrens Healthcare Charity	7,094	2,644
Mirasol	5,351	-
Ballen Isles	1,710	4,085
	\$ 91,213	\$ 9,936

NOTE F – FUNCTIONAL EXPENSES

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2025	2024
Cash	\$ 12,455	\$ 6,576
Accounts receivable, net	65,502	58,199
Due from the Arc	464,648	147,446
 Total financial assets available within one year	 542,605	 212,221
 Amounts unavailable to management		
Restricted funds	(172,007)	(154,022)
 Total financial assets available within one year after restrictions	 \$ 370,598	 \$ 58,199

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

SUPPLEMENTAL INFORMATION



**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**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bodwell Academy which is a component unit of The Arc of Palm Beach County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 26, 2025



MANAGEMENT LETTER

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

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

Report on the Financial Statements

We have audited the financial statements of Bodwell Academy, which is a component unit of The Arc of Palm Beach County, Inc., as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 26, 2025.

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 26, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is *Bodwell Academy* (502531), which is a component unit of The Arc of Palm Beach County, Inc.

Financial Condition and Management

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

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

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

Financial Condition and Management (continued)

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 26, 2025

CURRENT YEAR MANAGEMENT RECOMMENDATIONS

For the year ended June 30, 2025, there are no management recommendations.