

***CONNECTIONS EDUCATION CENTER OF
THE PALM BEACHES, INC.***

***BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION***

Year Ended June 30, 2018

Connections Education Center of the Palm Beaches, Inc.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Connections Education Center of the Palm Beaches, Inc. ("the Center"), a charter school, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprises Connections Education Center of the Palm Beaches, Inc.'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. 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 and each major fund of the Center, as of June 30, 2018, 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

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 3 – 7 and 23 – 24 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 26, 2018, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Center's internal control over financial reporting and compliance.

Infante + Company

Hollywood, FL
September 26, 2018

CONNECTION EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Our discussion and analysis of the Connection Education Center of the Palm Beaches, Inc.'s ("Center") financial program provides an overview of the Center's financial activities for the year ended June 30, 2018. The Center's charter with the Palm Beach County District School Board is effective July 1, 2016. Prior to the effective charter date, the Center operated as a non-profit private school for children on the autism spectrum. The 2017 information is presented for comparative purposes only.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the Center's financial statements which begin on page 8.

For financial statement purposes for the year ended June 30, 2018, the Center is not considered a component unit of the Palm Beach County District School Board, Florida, which is a primary government entity for financial reporting. The Center has included separate statements for the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Fund Financial Statements reflect financing activities of the Center by providing information on inflows and outflows of spendable resources, while the Statement of Net Position and the Statement of Activities provide information on the activities of the Center.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

CONNECTION EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 14-22 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Center's financial position. The Center's assets exceeded liabilities by \$88,534 at June 30, 2018 and the Center's liabilities exceeded assets at June 30, 2017 by \$73,567.

NET POSITION			
	2018	2017	Variance
Current Assets	\$ 137,644	\$ 104,399	\$ 33,245
Capital Assets	67,360	70,309	(2,949)
Total Assets	<u>\$ 205,004</u>	<u>\$ 174,708</u>	<u>\$ 30,296</u>
Current Liabilities	116,470	248,275	(131,805)
Total Liabilities	\$ 116,470	\$ 248,275	\$ (131,805)
Net Position			
Investments in Capital Assets	\$ 67,360	\$ 39,309	\$ 28,051
Unresstricted	21,174	(112,876)	134,050
Restricted	-	-	-
Total Net Position	<u>88,534</u>	<u>(73,567)</u>	<u>162,101</u>
Total Liabilities and Net Position	<u>\$ 205,004</u>	<u>\$ 174,708</u>	<u>\$ 30,296</u>

CONNECTION EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

<u>Revenue Sources</u>	<u>2018</u>	<u>2017</u>	<u>Variance</u>
State passed through local school	\$ 1,411,354	\$ 867,566	543,788
Federal passed through local schools	370,766	306,615	64,151
Interest income	8	85	(77)
Other revenue	<u>655,931</u>	<u>582,976</u>	<u>72,955</u>
Total	\$ 2,438,059	\$ 1,757,242	\$ 680,817

Revenues for governmental activities totaled \$2,438,059 and \$1,751,242 for the years ended June 30, 2018 and 2017, respectively. The main sources of revenue were from the Florida Education Finance Program ("FEFP") and private donations. These revenues represented approximately 57% and 24%, respectively, of total revenue for the year ended June 30, 2018.

Expenses for major functions of the Center are shown in the following table:

	<u>2018</u>	<u>2017</u>	<u>Variances</u>
Instruction	\$ 1,153,361	\$ 920,604	\$ 232,757
Instructional related technology	48,196	65,667	(17,471)
Board expenses	46,932	30,861	16,071
General administration	17,697	11,500	6,197
School administration	224,477	319,163	(94,686)
Facilities acquisitions & construction	187,103	62,400	124,703
Fiscal services	50,800	67,565	(16,765)
Central services	3,816	-	3,816
Pupil transportation services	43,975	34,176	9,799
Pupil personnel services	300,365	233,817	66,548
Operation of plant	80,132	53,455	26,677
Maintenance of plant	-	908	(908)
Community activities	119,104	18,612	100,492
Debt service	-	12,081	(12,081)
Totals	\$ 2,275,958	\$ 1,830,809	\$ 445,149

CONNECTION EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

In 2017, the Center factored its monthly FEFP funds on two separate occasions. The total owed at June 30, 2017 was \$135,374 and the total interest cost associated with those transactions was \$12,081. The factored receivables were paid in full during the current year and at June 30, 2018 and the amount owed was \$0. In addition, the Center received its first tranche of an implementation grant for the year ended June 30, 2017 and the Center received its second and final implementation grant funding during the year ended June 30, 2018. During 2017, the Center borrowed \$31,000 to fund operations and equipment purchases. For the year ended June 30, 2018, the debtors elected to convert their loans to donations and the total outstanding loan balance at June 30, 2018 was \$0.

FUND FINANCIAL ANALYSIS

Key highlights for the fiscal years ended June 30, 2018 and 2017 are as follows:

	2018	2017	Variance
Revenue	\$ 2,438,059	\$ 1,757,242	\$ 680,817
Other financing sources, net of debt costs	(31,000)	18,919	(49,919)
Expenditures	<u>(2,273,009)</u>	<u>(1,889,037)</u>	<u>(383,972)</u>
Change in fund balance	134,050	(112,876)	246,926
Fund balance, beginning of year	<u>(112,876)</u>	<u>-</u>	<u>(112,876)</u>
Fund balance, end of year	<u>\$ 21,174</u>	<u>\$ (112,876)</u>	<u>\$ 134,050</u>

CURRENT YEAR VS PRIOR YEAR RESULTS

2017-2018 was the second year that the Center enrolled students as a charter school. Total revenue was \$2,438,059 and \$1,757,242 for the years ended June 30, 2018 and 2017, respectively. The increase in revenue was the result of the Center receiving additional FEFP funding resulting from an increased student count. Total expenses were \$2,273,009 and \$1,889,037 for the years ended June 30, 2018 and 2017, respectively. The increase in expenses is primarily attributable to an increase in instruction salaries and support staff to handle the student count increase and increase in rent expense of approximately \$125,000 compared to prior year.

**CONNECTION EDUCATION CENTER OF THE PALM BEACHES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

BUDGETARY HIGHLIGHTS – GENERAL FUND

Actual revenue was approximately \$82,791 more than budgeted. This can be attributed to additional private donations towards the end of the school year that weren't budgeted for. Expenses were approximately \$46,000 more than the amount budgeted as the Center didn't properly reflect the employee benefits costs and rent on the books and those amounts were reclassified from the balance sheet to various functional expenses.

PROSPECTS FOR THE FUTURE

The Center continues to search for private donors as a means to generate additional revenues to support operations. In addition, the Center plans on hosting a large fundraising event in early 2019 that is anticipated to net the Center approximately \$100,000 in donations.

REQUESTS FOR INFORMATION

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

Connections Education Center of the Palm Beaches, Inc.
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash	
Cash	\$ 44,173
Accounts receivable, net	68,388
Due from related party	9,458
Prepaid expenses	15,625
Total current assets	137,644
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	
Furniture, fixtures and equipment	67,360
Total capital assets	67,360
Total assets	\$ 205,004
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 41,778
Accrued salaries and payroll deductions	74,692
Total liabilities	116,470
NET POSITION	
Investment in capital assets, net of related debt	67,360
Unrestricted	21,174
Total net position	88,534
Total liabilities and net position	\$ 205,004

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

Connections Education Center of the Palm Beaches, Inc.
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Basic instruction	\$ 1,153,361	\$ -	\$ 281,346	\$ -	\$ (872,015)
Pupil personnel services	300,365	-	53,513	-	(246,852)
Instructional media services	-	-	-	-	-
Instructional staff training	-	-	-	-	-
Instructional related technology	48,196				(48,196)
Board	46,932	-	854	-	(46,078)
General administration	17,697	-	-	-	(17,697)
School administration	224,477	-	11,082	-	(213,395)
Facilities acquisition and construction	187,103	-	18,955	-	(168,148)
Fiscal services	50,800	-	-	-	(50,800)
Central services	3,816	-	3,816	-	-
Pupil transportation services	43,975	-	-	-	(43,975)
Operation of plant	80,132	-	1,200	-	(78,932)
Maintenance of plant	-	-	-	-	-
Community activities	119,104	-	-	-	(119,104)
Debt service interest	-	-	-	-	-
Total governmental activities	\$ <u>2,275,958</u>	\$ <u>-</u>	\$ <u>370,766</u>	\$ <u>-</u>	\$ <u>(1,905,192)</u>

General Revenues	
Grants and contributions not restricted to specific programs	-
State revenues	1,411,354
Investment earnings	8
Miscellaneous	655,931
Total General Revenues	<u>2,067,293</u>
Change in net position	162,101
Net position, July 1, 2017	(73,567)
Net position, June 30, 2018	\$ <u>88,534</u>

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

Connections Education Center of the Palm Beaches, Inc.
Balance Sheet - Governmental Funds
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Cash	\$ 44,173	\$ -	\$ -	\$ 44,173
Accounts receivable	68,388	-	-	68,388
Due from related party	9,458	-	-	9,458
Prepaid expenses	15,625	-	-	15,625
Total Assets	<u>\$ 137,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,644</u>
LIABILITIES				
Accounts payable	\$ 41,778	\$ -	\$ -	\$ 41,778
Accrued salaries and payroll deductions	74,692	-	-	74,692
Due to funds	-	-	-	-
Total Liabilities	<u>116,470</u>	<u>-</u>	<u>-</u>	<u>116,470</u>
FUND BALANCES				
Nonspendable	15,625	-	-	15,625
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	5,549	-	-	5,549
Total Fund Balances	<u>21,174</u>	<u>-</u>	<u>-</u>	<u>21,174</u>
Total Liabilities and Fund Balances	<u>\$ 137,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,644</u>

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

Connections Education Center of the Palm Beaches, Inc.
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Fund Balance - Governmental Funds	\$ 21,174
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	
Governmental capital assets	\$ 97,227
Less accumulated depreciation	<u>(29,867)</u>
	<u>67,360</u>
Debt proceeds are reported as financing sources in the general fund and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases current liabilities and does not affect the Statement of Activities.	
Net Position of Governmental Activities	\$ <u>88,534</u>

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

Connections Education Center of the Palm Beaches, Inc.
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES				
Federal passed through local school district	\$ -	\$ 370,766	\$ -	\$ 370,766
State passed through local school district	1,411,354	-	-	1,411,354
Other revenue	655,931	-	-	655,931
Investment earnings	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>
TOTAL REVENUES	2,067,293	370,766	-	2,438,059
EXPENDITURES/EXPENSES				
Basic instruction	879,813	281,346	-	1,161,159
Pupil personnel services	246,852	53,513	-	300,365
Instructional related technology	48,196	-	-	48,196
Board	46,078	854	-	46,932
General administration	17,697	-	-	17,697
School administration	210,927	11,082	-	222,009
Facilities acquisition and construction	168,148	18,955	-	187,103
Fiscal services	50,800	-	-	50,800
Central services	-	3,816	-	3,816
Pupil transportation services	35,696	-	-	35,696
Operation of plant	78,932	1,200	-	80,132
Community activities	<u>119,104</u>	<u>-</u>	<u>-</u>	<u>119,104</u>
Total expenses	<u>1,902,243</u>	<u>370,766</u>	<u>-</u>	<u>2,273,009</u>
Revenues over Expenses	165,050	-	-	165,050
Debt service:				
Retirement of principal	31,000	-	-	31,000
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>31,000</u>
Other financing sources:				
Debt issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	134,050	-	-	134,050
Fund balances, July 1, 2017	<u>(112,876)</u>	<u>-</u>	<u>-</u>	<u>(112,876)</u>
Fund balances, June 30, 2018	<u>\$ 21,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,174</u>

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

Connections Education Center of the Palm Beaches, Inc.
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
June 30, 2018

Net Change in fund balances - governmental funds	\$ 134,050
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental Funds report capital outlays as expenditures.
 However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 13,991
Less current year depreciation	<u>(16,940)</u> (2,949)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>31,000</u>
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Change in Net Position of Governmental Activities	<u>\$ 162,101</u>
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The accompanying notes are an integral part of these basic financial statements.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

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

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

The general operating authority of the Center is contained in Section 1002.33, Florida Statutes. The current charter shall be for a term of 5 school years commencing with the 2016 - 2017 school year. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the Center in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

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

As a result of implementing GASB 61, *The Financial Reporting Entity: Omnibus*, which is effective for fiscal years beginning after June 15, 2012, the District and its auditors are of the opinion that the Center is no longer to be treated as a component unit for financial reporting purposes. There is no change in the relationship with the District or the District’s oversight or monitoring responsibilities.

2. Government-wide and fund financial statements

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

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

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

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

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash.
- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the Center's highest level of decision-making authority. Commitments may be changed or lifted only by the Center taking the same formal action that imposed the constraint originally.
- Assigned fund balance - comprises amounts intended to be used by the Center for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

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

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

3. Measurement focus, basis of accounting, and financial statement presentation

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

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

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

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

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

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

4. Budgetary basis of accounting

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

5. Cash

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the Center as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. For the year ended June 30, 2018, the Center recorded net capital assets of \$67,360.

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

<u>Asset Type</u>	<u>Estimated Useful Lives</u>
Furniture, fixtures and equipment	5 - 10
School bus	5

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

7. Revenue sources

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

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

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

8. Use of estimates

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

9. Income taxes

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

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Center's federal income tax returns for 2016-2018 remain subject to examination by major tax jurisdictions.

NOTE B - CONCENTRATIONS

1. Revenue sources

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

<u>Sources</u>	<u>Amounts</u>
Federal grants through local district	\$ 370,766
State funding through local district	1,411,354
Aftercare and other revenue	<u>655,939</u>
	<u>\$2,438,059</u>

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B – CONCENTRATIONS (continued)

2. Cash

Under Chapter 280, Florida Statutes, the Center's deposits must be placed in banks and savings and loans which are qualified as public depositories. The Center maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool. As of June 30, 2018, there were no uninsured bank deposit balances.

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance at June 30, 2017	Adjustments and Additions	Deletions	Balance at June 30, 2018
Capital assets depreciated:				
Furniture, fixtures and equipment	\$ 41,841	\$ 13,991	\$ -	\$ 55,832
Buses	<u>41,395</u>	<u>-</u>	<u>-</u>	<u>41,395</u>
Total assets depreciated	<u>\$ 83,236</u>	<u>\$ 13,991</u>	<u>\$ -</u>	<u>\$ 97,227</u>
Less Accumulated depreciation				
Furniture, fixtures and equipment	\$ 5,873	8,661	\$ -	\$ 14,534
Buses	<u>7,054</u>	<u>8,279</u>	<u>-</u>	<u>15,333</u>
Total assets depreciated	<u>\$ 12,927</u>	<u>\$ 16,940</u>	<u>\$ -</u>	<u>\$ 29,867</u>
Total governmental activities				
Capital assets, net				<u>\$ 67,360</u>

Depreciation expense of \$16,940 was charged to the basic instruction (\$6,193), school administration (\$2,468) and transportation services (\$8,279) functions for the year ended June 30, 2018.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D – ACCOUNTS RECEIVABLE

Accounts receivable consists of a promise to give by a significant donor for \$60,000 as well as miscellaneous amounts due from the aftercare program. Management is of the opinion that the balance is fully collectible at June 30, 2018 and has not established an allowance for bad debts.

NOTE E - COMMITMENTS AND CONTINGENCIES

The Center leased property during the year for its administrative and classroom space under a non-cancelable operating lease and entered into a new lease during the fiscal year June 30, 2017 that takes effect July 1, 2017. The Center also has a lease on a copier during the current year. Rental expenses for the year ended June 30, 2018 were approximately \$241,000.

Future minimum lease payments required under the lease are approximately as follows:

June 30:

2019	\$	241,389
2020		246,659
2021		-
2022		-
2023		-
		<hr/>
Total	\$	488,048

NOTE F – FACTORED ACCOUNTS RECEIVABLE

On May 8, 2017, the Center entered into an agreement with Charter Asset Management Fund, LP (“CAM”). CAM purchased parts of the July and August 2017 FEFP funds for \$130,000. As part of the factoring agreement, the Center is required to pay CAM \$135,575. During the year ended June 30, 2018, the Center repaid the amount in full and the amount owed to CAM at June 30, 2018 was \$0.

NOTE G – DEFINED CONTRIBUTION PLAN

The Center offers a defined contribution plan named Connections Education Center of the Palm Beaches 403(b) Plan. To be eligible to participate in the plan, participants must be at least 18 years old. Participants can elect to contribute up to 100% of their salary, subject to annual IRS limitations. The plan document states that the Center will not make any contributions to the plan. Therefore, for the year ended June 30, 2018, the Center made no contribution to the plan.

CONNECTIONS EDUCATION CENTER OF THE PALM BEACHES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LOANS PAYABLE AND RELATED PARTY

During the year ended June 30, 2017, the Center entered into two separate promissory notes for \$16,000 and \$15,000, respectively. Both notes are non-interest bearing and are due on July 1, 2019. The loan for \$16,000 was provided by a current employee of the Center and is considered an arms-length transaction. During the year ended June 30, 2018, the employee and unrelated party decided to forgive the debt and convert it into a donation; therefore loans payable at June 30, 2018 was \$0.

NOTE I – DUE FROM RELATED PARTY

During the year ended June 30, 2018, the Center shared certain employee and rent expenses with a high school located at the same facility. The allocation of shared costs was based on student count in both schools which resulted in 75% of the shared costs being allocated to the Center. These are considered arms-length transactions and at June 30, 2018, the related party owed the Center \$9,458.

NOTE J - RISK MANAGEMENT

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

The Center did not have any settlements that exceeded insurance coverage for the years ended June 30, 2017 – 2018.

NOTE K – DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through September 26, 2018, which is the date the financial statements became available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Connections Education Center of the Palm Beaches, Inc.
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2018
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Federal passed through local school district	\$ -	\$ -	\$ -	\$ -
State passed through local school district	1,235,111	1,411,354	1,411,354	-
Other revenue	442,800	573,148	655,939	82,791
 Total revenues	 1,677,911	 1,984,502	 2,067,293	 82,791
Expenses				
Basic instruction	801,682	862,497	879,813	17,316
Pupil personnel services	313,204	245,411	246,852	1,441
Instructional related technology	-	46,985	48,196	1,211
Board	36,506	25,704	46,078	20,374
General administration	16,505	17,697	17,697	-
School administration	162,284	208,641	210,927	2,286
Facilities acquisition and construction	184,920	168,995	168,148	(847)
Fiscal services	47,969	50,280	50,800	520
Central services	700	-	-	-
Pupil transportation services	38,533	35,415	35,696	281
Operation of plant	45,717	81,767	78,932	(2,835)
Maintenance of plant	1,608	-	-	-
Community activities	-	119,104	119,104	-
Debt service	-	3,000	-	(3,000)
 Total expenses	 1,649,628	 1,865,496	 1,902,243	 36,747
 Revenues over expenditures	 <u>28,283</u>	 <u>119,006</u>	 <u>165,050</u>	 <u>46,044</u>
 Debt service:				
Retirement of principal	-	-	31,000	31,000
Interest	-	-	-	-
Total debt service	-	-	31,000	31,000
 Other financing sources:				
Debt issued	-	-	-	-
Total other financing sources	-	-	-	-
 Net change in fund balance	 28,283	 119,006	 134,050	 15,044
 Fund Balance, July 1, 2017	 <u>(112,876)</u>	 <u>(112,876)</u>	 <u>(112,876)</u>	 -
 Fund Balance, June 30, 2018	 <u>\$ (84,593)</u>	 <u>\$ 6,130</u>	 <u>\$ 21,174</u>	 <u>\$ 15,044</u>

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

Connections Education Center of the Palm Beaches, Inc.
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
Special Revenue Fund
For the Year Ended June 30, 2018
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Federal passed through local school district	\$ 359,934	\$ 370,766	\$ 370,766	-
State passed through local school district	-	-	-	-
Other revenue	-	-	-	-
 Total revenues	 359,934	 370,766	 370,766	 -
Expenses				
Basic instruction	252,754	281,346	281,346	-
Pupil personnel services	5,535	53,513	53,513	-
Instructional related technology	-	-	-	-
Board	-	854	854	-
General administration	-	-	-	-
School administration	-	11,082	11,082	-
Facilities acquisition and construction	-	18,955	18,955	-
Fiscal services	-	-	-	-
Central services	-	3,816	3,816	-
Pupil transportation services	-	-	-	-
Operation of plant	8,040	1,200	1,200	-
Community activities	-	-	-	-
 Total expenses	 266,329	 370,766	 370,766	 -
 Revenues over expenditures	 <u>93,605</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Debt service:				
Retirement of principal	-	-	-	-
Interest	-	-	-	-
 Net change in fund balance	 93,605	 -	 -	 -
 Fund Balance, July 1, 2017	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, June 30, 2018	 <u>\$ 93,605</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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



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- American Institute of CPAs
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• Employee Benefit Plan Audit Quality Center
• Government Audit Quality Center
• Private Companies Practice Section
• Tax Division
Florida Institute of CPAs

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Connections Education Center of the Palm Beaches, Inc., (the "Center", a nonprofit organization), a charter school, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Connections Education Center of the Palm Beaches, Inc.'s basic financial statements and have issued our report thereon dated September 26, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Infante & Company

September 26, 2018
Hollywood, Florida



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- Government Audit Quality Center
- Private Companies Practice Section
- Tax Division

Florida Institute of CPAs

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

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

Report on the Financial Statements

We have audited the financial statements of the Connections Education Center of the Palm Beaches, Inc., Florida, as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 26, 2018.

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 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, 2018, 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. Finding 2018-1 is a repeat finding from the prior year (prior year finding was noted as Finding 2017-1) and Finding 2017-2 from the prior year has been corrected.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Connections Education Center of the Palm Beaches, Inc.

Financial Condition and Management

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

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have one finding and recommendation.

Finding 2018-1

During the fiscal year ended June 30, 2018, Connections Education Center of the Palm Beaches, Inc. incorrectly accounted for employee benefits costs. As a result, the statement of net position was overstated and the statement of changes in net assets was understated by approximately \$25,000.

We recommend that Connections Education Center of the Palm Beaches, Inc. change its accounting for employee benefits to ensure that the correct amounts are reflected as expenses in the financial statements. In addition, the Center should include a current statement of financial position compared to the prior year end as part of the financial package presented to the board of directors as they may have caught this accounting error had they seen the large variance from prior year.

Transparency

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

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have

occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Infante & Company

Infante & Company
September 26, 2018

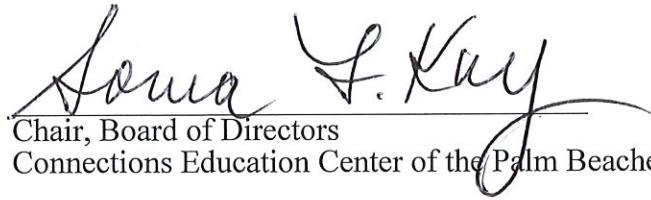
September 27, 2018

To the School District of Palm Beach County,

The following is our response to the management letter dated September 26, 2018, and each response is numbered consistently with the numbers assigned in the management letter:

2018-1 Incorrect accounting for employee benefits

For fiscal year ended June 30, 2019, we changed our accounting for employee benefits to ensure that the proper expense to the Center is reflected in the books and records. In addition, as part of the board financial review package, we will incorporate a current statement of net position compared to the prior fiscal year end as a means of catching any future accounting errors on the statement of net position. The board will bring attention to this issue at each and every board meeting to ensure that the Center is properly reporting employee benefits.


Sonja F. Kay
Chair, Board of Directors

Connections Education Center of the Palm Beaches, Inc.

