

**MANAGEMENT LETTER**  
**(ADDENDUM)**

To the Board of Directors  
Palm Beach School for Autism, Inc. d/b/a  
The Palm Beach Academy for Learning  
Lantana, Florida

We have audited the component unit basic financial statements of Palm Beach School for Autism, Inc. d/b/a The Palm Beach Academy for Learning (“Academy”) as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated September 8, 2008.

We have 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. We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on compliance and other matters based on the audit of the financial statements performed in accordance with *Government Auditing Standards*, dated September 8, 2008, and it should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550 and 10.850, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(i)1.) and 10.854(1)(e)1.), require that we address in the management letter, if not already addressed in the auditor’s reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations in the preceding audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Academy complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i)5.), require disclosure in the management letter of the following matters if not already addressed in the auditors’ reports on compliance and internal controls or schedule of findings and questions costs and are not clearly in consequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by , or that come to the attention of the auditor. There are no items requiring disclosure.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.a), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the Academy did meet the condition described in Section 218.503(1)(e), Florida Statutes, relating to the reporting of an unrestricted deficit balance as reported on the statement of net assets. However, our previous audit failed to consider the resources immediately available to the Academy. The Academy and the Palm Beach School for Autism are a single corporation at both the state and federal levels. They are organized as a single legal entity which operates two charter schools. The unrestricted deficit balance as reported in the Academy's audit was caused by the manner in which funds were accounted for by the corporation. Subsequent to the year ended June 30, 2008 statement of net assets, the corporation changed the way the funds were recorded in the amount of \$176,788 thereby eliminating the Academy's unrestricted deficit balance. As of fiscal year ended June 30, 2008, the consolidated changes in net assets were \$281,732, with a consolidated unrestricted fund balance of \$493,422. Consequently, it is our opinion that a financial recovery plan as described in 1002.33(7)(a)(10), Florida Statutes, is not necessary as the corporation (and both schools which it controls) holds a surplus of available funds.

As required by the Rules of the Auditor General (Sections 10.554(i)7.c and 10.556(7)), we applied financial assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

The Rules of the Auditor General Section 10.856(2), state that a management letter shall include a statement as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no such matters in the preceding year.

The Rules of the Auditors General (Section 10.854(1)(d)2.), state that a management letter shall include a statement as to whether or not failure to pay short-term loans or make bond debt service or other long-term debt payments when due, failure to pay uncontested claims from creditors within 90 days, failure to transfer at the appropriate time: taxes withheld on income or employees, employer and employee contributions for federal social security or any pension, retirement, or benefit plan of an employee, and failure for one pay period to pay: wages and salaries owed to employees or retirement benefits owed to former employees due to the lack of funds. There were no such matters in the proceeding year.

The Academy complied with Florida Statutes 218.415 local government investment policies.

We have applied financial condition assessment procedures pursuant to Rule 10.556(8).

The official title of the Academy is Palm Beach School for Autism, Inc. d/b/a The Palm Beach Academy for Learning.

This management letter is intended solely for the information and use of the Board members, management, and the State of Florida Office of the Auditor General, School District of Palm Beach County, Florida, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.



DiCrescenzo and Company, P.A.  
Certified Public Accountants  
Deerfield Beach, Florida  
September 8, 2008