

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS THEREON**

JUNE 30, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Mi Escuela Montessori, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's total net position increased compared to the prior year.
- During 2024, the School's revenues exceeded expenses by \$681,532, which was an increase from the prior year when revenues exceeded expenses by \$321,820.
- Overall, revenues increased by approximately \$469,000, which was a 15% increase from the prior year.
- Overall, expenses increased by approximately \$109,000, which was a 4% increase from the prior year.
- Total assets were \$1,650,229 and total liabilities were \$503,346, resulting in net position of \$1,146,883 as of June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
 - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.
 - The *fiduciary fund* financial statements provide information about the financial activities in which the School serves only as the custodian for assets that belong to others, such as student activities funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Fund
Scope	Entire School (except the fiduciary fund)	The activities of the School that are not proprietary or fiduciary	Instances in which the School administers resources on behalf of someone else
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, but excludes fiduciary funds. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base, the quality of the education and the safety of the School.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has two types of funds:

Governmental Funds – Most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Fiduciary Funds – The School is the custodian, or fiduciary, for assets that belong to others, such as student activities funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because the School cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's combined net position as of June 30, 2024 and 2023 is summarized as follows – see table below:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Current and other assets	\$ 1,010,760	\$ 515,685	96%
Capital assets, net	639,469	781,372	-18%
Total assets	<u>1,650,229</u>	<u>1,297,057</u>	<u>27%</u>
Current and other liabilities	144,659	122,904	18%
Long-term liabilities	358,687	708,802	-49%
Total liabilities	<u>503,346</u>	<u>831,706</u>	<u>-39%</u>
Net position:			
Net investment in capital assets	297,266	88,466	236%
Restricted for food service	-	7,149	-100%
Unrestricted	849,617	369,736	130%
Total net position	<u>\$ 1,146,883</u>	<u>\$ 465,351</u>	<u>146%</u>

Current and other assets increased as a result of the current year operating surplus. Net capital assets decreased due to the revision of the lease, even though current year additions were in excess of depreciation expense. Long-term liabilities decreased and net investment in capital assets increased due to the revision of the lease and current year payments on the lease liability. Net position increased overall due to the current year operating surplus and the activity noted above.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Change in Net Position

The School's total revenues increased by 15% to \$3,624,709, and the total cost of all programs and services increased by 4% to \$2,943,177— see table below.

	Governmental Activities		Increase (Decrease)
	2024	2023	
Revenues:			
Federal sources passed through local school district	\$ 665,680	\$ 821,413	-19%
State and local sources	2,423,077	1,773,116	37%
Contributions and other revenue	535,952	561,162	-4%
Total revenues	<u>3,624,709</u>	<u>3,155,691</u>	<u>15%</u>
Expenses:			
Instruction	1,859,323	1,725,832	8%
Student support	34,253	41,547	-18%
Instruction and curriculum development	-	9,167	-100%
Instructional staff training	20,688	76,986	-73%
Instruction-related technology	20,353	16,586	23%
Board	18,920	16,141	17%
General administration	105,862	78,619	35%
School administration	367,160	322,553	14%
Fiscal services	28,081	32,855	-15%
Food services	127,092	115,990	10%
Student transportation services	44,009	28,855	53%
Operation of plant	245,135	254,154	-4%
Community services	49,134	66,746	-26%
Interest	23,167	47,840	-52%
Total expenses	<u>2,943,177</u>	<u>2,833,871</u>	<u>4%</u>
Change in net position	<u>\$ 681,532</u>	<u>\$ 321,820</u>	<u>112%</u>

Federal sources decreased due to a reduction in the Elementary and Secondary School Emergency Relief III (“ESSER”) Funds received in the current year. State and local sources increased due to an increase in enrollment and from capital outlay funds which the School became eligible to receive in 2024.

Instructional staff training decreased due to a decrease in professional services. School administration increased due to increased staffing and salaries in the current year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a fund balance of \$866,101. Both revenues and expenditures changed overall for the same reasons described above.

General Fund Budgetary Highlights

Over the course of the year, the School revised its budget several times to account for the changes in student enrollment and resulting increases in appropriations.

For 2024, actual general fund revenues were approximately \$102,000 above the final budget, which represents a 4% budget variance. Actual general fund expenditures were approximately \$79,000 above the final budget, which represents a 4% budget variance.

Special Revenue Fund Budgetary Highlights

For 2024, actual special revenue fund revenues were approximately \$5,000 below the final budget, which represents a 1% budget variance. Actual special revenue fund expenditures were approximately \$19,000 below the final budget, which represents a 3% budget variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School's investment in capital assets at the end of fiscal 2024 amounts to \$639,469 (net of accumulated depreciation). See table below:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Leased buildings	\$ 763,859	\$ 955,729	-20%
Improvements other than buildings	196,096	172,644	14%
Furniture, fixtures and equipment	179,792	91,466	97%
Motor vehicles	136,297	-	100%
Less accumulated depreciation	(636,575)	(438,467)	-45%
Total capital assets, net	<u>\$ 639,469</u>	<u>\$ 781,372</u>	<u>-18%</u>

This year's major capital asset additions include the following:

- School bus - \$136,297
- Chromebooks - \$32,164
- Cabinets - \$20,612

More detailed information about the School's capital assets is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term Debt

As of June 30, 2024, the School had \$358,687 in long-term debt outstanding, consisting primarily of the lease liability. The revision of the lease, as well as scheduled payments, reduced the amount outstanding in the current year. More detailed information about the School's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2025:

- Projected increase in student population
- Projected salary increases

Amounts available for appropriation in the general fund are approximately \$3,090,000, an increase of 11% from the final 2024 amount of \$2,779,701. Budgeted expenditures are expected to be approximately \$3,073,000, an increase of 34% from the final 2024 amount of \$2,297,868. The School has added no major new programs to the fiscal 2025 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to increase by the close of fiscal 2025.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 6129 US Highway 98 S, Lakeland, FL 33812.

INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

To the Board of Directors of Mi Escuela Montessori, Inc., a Charter School
and Component Unit of the District School Board of Polk County, Florida

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mi Escuela Montessori, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Mi Escuela Montessori, Inc. as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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 the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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. 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 7 and the budgetary comparison information on pages 29 - 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 19, 2024 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 the School's internal control over financial reporting and compliance.



Orlando, Florida
September 19, 2024

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 526,554
Investments	400,019
Accounts receivable	72,633
Other assets	11,554
Capital assets, net	639,469
Total assets	\$ 1,650,229
LIABILITIES	
Accounts payable and accrued expenses	\$ 129,539
Unearned revenues	15,120
Long-term liabilities:	
Due within one year	182,466
Due in more than one year	176,221
Total liabilities	503,346
NET POSITION	
Net investment in capital assets	297,266
Unrestricted	849,617
Total net position	1,146,883
Total liabilities and net position	\$ 1,650,229

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction	\$ 1,859,323	\$ 310,025	\$ 349,153	\$ -	\$ (1,200,145)	\$ (1,200,145)
Student support services	34,253	-	27,666	-	(6,587)	(6,587)
Instructional staff training	20,688	-	18,184	-	(2,504)	(2,504)
Instruction-related technology	20,353	-	-	-	(20,353)	(20,353)
Board	18,920	-	-	-	(18,920)	(18,920)
General administration	105,862	-	-	-	(105,862)	(105,862)
School administration	367,160	19,150	5,725	-	(342,285)	(342,285)
Fiscal services	28,081	-	-	-	(28,081)	(28,081)
Food services	127,092	29,471	92,777	-	(4,844)	(4,844)
Student transportation services	44,009	-	-	-	(44,009)	(44,009)
Operation of plant	245,135	-	23,409	-	(221,726)	(221,726)
Community services	49,134	125,717	248	-	76,831	76,831
Interest	23,167	-	-	-	(23,167)	(23,167)
Total primary government	<u>\$ 2,943,177</u>	<u>\$ 484,363</u>	<u>\$ 517,162</u>	<u>\$ -</u>	<u>(1,941,652)</u>	<u>(1,941,652)</u>
General revenues:						
Federal sources passed through local school district					148,518	148,518
State and local sources					2,423,077	2,423,077
Contributions and other revenue					51,589	51,589
Total general revenues					<u>2,623,184</u>	<u>2,623,184</u>
Change in net position					681,532	681,532
Net position at beginning of year					465,351	465,351
Net position at end of year					<u>\$ 1,146,883</u>	<u>\$ 1,146,883</u>

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 526,554	\$ -	\$ -	\$ 526,554
Investments	400,019	-	-	400,019
Accounts receivable	3,074	56,698	12,861	72,633
Other assets	11,554	-	-	11,554
Due from special revenue fund	69,559	-	-	69,559
Total assets	\$ 1,010,760	\$ 56,698	\$ 12,861	\$ 1,080,319
 LIABILITIES				
Accounts payable and accrued expenditures	\$ 129,539	\$ -	\$ -	\$ 129,539
Unearned revenues	15,120	-	-	15,120
Due to general fund	-	56,698	12,861	69,559
Total liabilities	144,659	56,698	12,861	214,218
 FUND BALANCES				
Nonspendable:				
Other assets	11,554	-	-	11,554
Unassigned	854,547	-	-	854,547
Total fund balances	866,101	-	-	866,101
Total liabilities and fund balances	\$ 1,010,760	\$ 56,698	\$ 12,861	\$ 1,080,319

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2024

Total fund balances - total governmental funds	\$ 866,101
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$1,276,044 and the accumulated depreciation is \$636,575.	639,469
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end include:	
Compensated absences	(16,484)
Lease liability	<u>(342,203)</u>
Total net position - governmental activities	<u><u>\$ 1,146,883</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Federal sources passed through local school district	\$ -	\$ 665,680	\$ -	\$ 665,680
State and local sources	2,273,220	-	149,857	2,423,077
Contributions and other revenue	506,481	29,471	-	535,952
Total revenues	2,779,701	695,151	149,857	3,624,709
EXPENDITURES				
Current:				
Instruction	1,367,001	349,153	-	1,716,154
Student support services	6,587	27,666	-	34,253
Instructional staff training	2,504	18,184	-	20,688
Instruction-related technology	20,353	-	-	20,353
Board	18,920	-	-	18,920
General administration	105,862	-	-	105,862
School administration	332,396	5,725	-	338,121
Fiscal services	28,081	-	-	28,081
Food services	-	123,805	-	123,805
Student transportation services	39,907	-	-	39,907
Operation of plant	202,627	23,409	-	226,036
Community services	48,886	248	-	49,134
Debt service:				
Principal	8,976	-	149,857	158,833
Interest	23,167	-	-	23,167
Other capital outlay	92,601	155,474	-	248,075
Total expenditures	2,297,868	703,664	149,857	3,151,389
Excess (deficiency) of revenues over expenditures	481,833	(8,513)	-	473,320
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	1,364	-	1,364
Operating transfers out	(1,364)	-	-	(1,364)
Total other financing sources (uses)	(1,364)	1,364	-	-
Net change in fund balances	480,469	(7,149)	-	473,320
Fund balances at beginning of year	385,632	7,149	-	392,781
Fund balances at end of year	\$ 866,101	\$ -	\$ -	\$ 866,101

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2024

Net changes in fund balances - total governmental funds	\$ 473,320
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$248,075) exceed depreciation expense (\$198,108) in the current period.	49,967
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(588)
Principal payments on long-term liabilities are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	158,833
Change in net position of governmental activities	<u>\$ 681,532</u>

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 258
Total assets	<u>\$ 258</u>
NET POSITION	
Restricted for:	
Student activities	\$ 258
Total net position	<u>\$ 258</u>

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund
ADDITIONS	
Collections for student activities	\$ 12,525
Total additions	12,525
DEDUCTIONS	
Payments for student activities	12,267
Total deductions	12,267
Change in net position	258
Net position at beginning of year	-
Net position at end of year	\$ 258

The accompanying notes to financial statements are an integral part of this statement.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mi Escuela Montessori, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of nine members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Polk County, Florida (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

Basis of Presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, but excludes fiduciary funds. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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. 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.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

General Fund – 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 and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.

Capital Projects Fund – To account for all resources for the acquisition of capital items by the School purchased with capital outlay funds and local capital improvement funds.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

For purposes of these statements, the general, special revenue and capital projects funds are considered major funds. There are no other governmental funds.

Custodial Fund – The School is the custodian, or fiduciary, for assets that belong to others, such as student activities funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because the School cannot use these assets to finance its operations.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and fiduciary fund financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

Cash and Cash Equivalents

Investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. The School maintains its cash accounts in a financial institution subject to insurance coverage issued by the Federal Deposit Insurance Corporation (the "FDIC"). Under FDIC rules, the School is entitled to aggregate coverage of \$250,000 per account type per separate legal entity per financial institution. As of June 30, 2024, the School had deposits in a financial institution with custodial credit risk exposure in excess of FDIC coverage totaling approximately \$277,000. The School has not historically experienced losses on its cash and cash equivalents.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Investments

Investments are recorded at fair value. Realized and unrealized gains or losses are included in contributions and other revenue in the accompanying financial statements.

Receivables

Receivables consist of amounts due from governmental agencies for various programs. Allowances are reported when management estimates that accounts may be uncollectible.

Capital Assets and Depreciation

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Leased buildings	5
Improvements other than building	7 - 15
Furniture, fixtures and equipment	3 - 7
Motored vehicles	12 - 15

Information relative to changes in capital assets is described in Note 5.

Compensated Absences

Compensated absences (i.e. paid absences for employee vacation leave and sick leave) are recorded as expenditures in governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employees. The liability for compensated absences is classified as a long-term liability that is due within one year because the amount of vacation and sick time to be used after the following year cannot be reasonably estimated. Information relative to changes in long-term liabilities is described in Note 7.

Long-term Liabilities

Long-term obligations that will be financed by resources to be received in the future by the governmental fund are reported in the government-wide financial statements, not in the governmental fund. Information relative to changes in long-term liabilities is described in Note 7.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Fund Balance Spending Policy

The School's adopted spending policy is to spend from the restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. There are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the Florida Department of Education ("FDOE") by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 5% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying statements. This administrative fee is calculated on the FEFP revenue up to 250 students.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, any unexpended amounts are reflected as restricted net position and restricted fund balance in the accompanying financial statements.

Income Taxes

The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and the balance sheet – governmental funds and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Subsequent Events

The School has evaluated subsequent events through September 19, 2024, the date these financial statements were available to be issued.

2 INVESTMENTS

Investments in the accompanying financial statements include a U.S. Treasury Money Market Fund with a cost basis of \$400,019. The fund exclusively invests in U.S. Treasury bills that mature in 1 year or less.

3 ACCOUNTS RECEIVABLE

Accounts receivable in the accompanying financial statements include \$72,633 in amounts due from governmental agencies. Based on the collectibility of funds from these sources, the School believes that an allowance for doubtful accounts is not considered necessary.

4 INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances as of June 30, 2024:

	Interfund Receivables	Interfund Payables
General fund	\$ 69,559	\$ -
Special revenue fund	-	56,698
Capital project fund	-	12,861
Total interfund	\$ 69,559	\$ 69,559

The amounts payable by the special revenue and capital project funds to the general fund are to cover temporary cash shortages related to the timing of receipts.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

A summary of transfers between funds for the year ended June 30, 2024 is shown below:

	Transfers In	Transfers Out
General fund	\$ -	\$ 1,364
Special revenue fund	1,364	-
Total interfund	\$ 1,364	\$ 1,364

The general purpose for transfers is to move funds for the payment of miscellaneous instructional and food costs.

5 CHANGES IN CAPITAL ASSETS

Capital asset activity during 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Leased buildings	\$ 955,729	\$ -	\$ (191,870)	\$ 763,859
Improvements other than buildings	172,644	23,452	-	196,096
Furniture, fixtures and equipment	91,466	88,326	-	179,792
Motor vehicles	-	136,297	-	136,297
Total capital assets	1,219,839	248,075	(191,870)	1,276,044
Less accumulated depreciation for:				
Leased buildings	(382,292)	(127,189)	-	(509,481)
Improvements other than buildings	(20,993)	(17,516)	-	(38,509)
Furniture, fixtures and equipment	(35,182)	(43,181)	-	(78,363)
Motor vehicles	-	(10,222)	-	(10,222)
Total accumulated depreciation	(438,467)	(198,108)	-	(636,575)
Governmental activities capital assets, net	\$ 781,372	\$ 49,967	\$ (191,870)	\$ 639,469

MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
(continued)

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 142,581
School administration	29,039
Food services	3,287
Student transportation	4,102
Operation of plant	<u>19,099</u>
Total governmental activities depreciation expense	<u><u>\$ 198,108</u></u>

6 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and collectibility of any related receivable as of June 30, 2024 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Risk Management Program

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

7 LONG-TERM LIABILITIES

Long-term liabilities activity during 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 15,896	\$ 588	\$ -	\$ 16,484	\$ 16,484
Lease liability	692,906	-	(350,703)	342,203	165,982
Governmental activities, long-term liabilities	<u>\$ 708,802</u>	<u>\$ 588</u>	<u>\$ (350,703)</u>	<u>\$ 358,687</u>	<u>\$ 182,466</u>

Compensated absences are presented net. Lease liabilities are typically liquidated first with capital projects fund resources, when available, and then with general fund resources.

Lease Liability

The School leases its facility in an agreement that ends in June 2026. The lease initially required monthly rent ranging from \$14,667 to \$25,000 from July 2021 through June 2026. In July 2023, the lease was revised, thereby reducing the lease liability and leased building asset by approximately \$192,000. No gain or loss was recognized, and the monthly rent was reduced to \$14,667 through June 2026. The discount rate used for this lease is 6.0%.

Leased assets as of June 30, 2024 consist of the following:

	<u>Governmental Activities</u>
Leased building	\$ 763,859
Less accumulated depreciation	(509,481)
	<u>\$ 254,378</u>

Future debt service requirements related to the lease are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 165,982	\$ 16,018	\$ 182,000
2026	176,221	5,779	182,000
	<u>\$ 342,203</u>	<u>\$ 21,797</u>	<u>\$ 364,000</u>

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

8 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources and amounts:

District School Board of Polk County, Florida:	
Florida Education Finance Program	\$ 1,355,593
Class size reduction	247,090
VPK revenue	157,270
Capital outlay	142,543
ESE guaranteed allocation	109,521
Discretionary local effort	99,852
Discretionary millage compression funds	94,395
Teacher salary increase allocation	80,387
Supplemental academic instruction	60,334
Student transportation	33,180
Safe schools	18,282
Mental health assistance allocation	13,116
Local capital improvement revenue	7,314
Teacher supply funds	4,200
Total	<u>\$ 2,423,077</u>

The administrative fee paid to the School Board during fiscal 2024 totaled \$105,862, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and local sources	\$ 1,950,000	\$ 2,167,870	\$ 2,273,220	\$ 105,350
Contributions and other revenue	511,650	510,182	506,481	(3,701)
Total revenues	<u>2,461,650</u>	<u>2,678,052</u>	<u>2,779,701</u>	<u>101,649</u>
EXPENDITURES				
Current:				
Instruction	1,492,960	1,365,090	1,367,001	(1,911)
Student support services	14,870	10,825	6,587	4,238
Instructional staff training	16,500	3,895	2,504	1,391
Instruction-related technology	20,000	20,000	20,353	(353)
Board	24,000	19,350	18,920	430
General administration	-	-	105,862	(105,862)
School administration	333,570	344,180	332,396	11,784
Fiscal services	33,100	28,100	28,081	19
Student transportation services	38,687	41,287	39,907	1,380
Operation of plant	289,131	272,004	202,627	69,377
Community services	133,640	113,790	48,886	64,904
Debt service:				
Principal	-	-	8,976	(8,976)
Interest	1,000	-	23,167	(23,167)
Other capital outlay	-	-	92,601	(92,601)
Total expenditures	<u>2,397,458</u>	<u>2,218,521</u>	<u>2,297,868</u>	<u>(79,347)</u>
Excess of revenues over expenditures	<u>64,192</u>	<u>459,531</u>	<u>481,833</u>	<u>22,302</u>
OTHER FINANCING USES				
Operating transfer out	-	-	(1,364)	(1,364)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(1,364)</u>	<u>(1,364)</u>
Net change in fund balance	64,192	459,531	480,469	20,938
Fund balance at beginning of year	385,632	385,632	385,632	-
Fund balance at end of year	<u>\$ 449,824</u>	<u>\$ 845,163</u>	<u>\$ 866,101</u>	<u>\$ 20,938</u>

See independent auditor's report.

MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources passed through local school district	\$ 325,576	\$ 672,317	\$ 665,680	\$ (6,637)
Contributions and other revenue	28,000	28,000	29,471	1,471
Total revenues	<u>353,576</u>	<u>700,317</u>	<u>695,151</u>	<u>(5,166)</u>
EXPENDITURES				
Current:				
Instruction	152,400	385,858	349,153	36,705
Student support services	29,980	26,020	27,666	(1,646)
Instructional media services	-	1,500	-	1,500
Instruction and curriculum development	-	314	-	314
Instructional staff training	10,400	18,180	18,184	(4)
Board	-	249	-	249
School administration	-	10,264	5,725	4,539
Food services	160,577	142,716	123,805	18,911
Operation of plant	22,690	26,708	23,409	3,299
Community services	-	-	248	(248)
Capital outlay	-	110,533	155,474	(44,941)
Total expenditures	<u>376,047</u>	<u>722,342</u>	<u>703,664</u>	<u>18,678</u>
Excess (deficiency) of revenues over expenditures	<u>(22,471)</u>	<u>(22,025)</u>	<u>(8,513)</u>	<u>13,512</u>
OTHER FINANCING SOURCES				
Operating transfer in	-	-	1,364	1,364
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,364</u>	<u>1,364</u>
Net changes in fund balance	(22,471)	(22,025)	(7,149)	14,876
Fund balance at beginning of year	7,149	7,149	7,149	-
Fund balance at end of year	<u>\$ (15,322)</u>	<u>\$ (14,876)</u>	<u>\$ -</u>	<u>\$ 14,876</u>

See independent auditor's report.

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

To the Board of Directors of Mi Escuela Montessori, Inc., a Charter School and Component Unit of the District School Board of Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mi Escuela Montessori, Inc. (the “School”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 19, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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



REPORT ON COMPLIANCE AND OTHER MATTERS

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

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



Orlando, Florida
September 19, 2024

**ADDITIONAL INFORMATION REQUIRED BY
RULES OF THE AUDITOR GENERAL,
CHAPTER 10.850**

To the Board of Directors of Mi Escuela Montessori, Inc., a Charter School
and Component Unit of the District School Board of Polk County, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mi Escuela Montessori, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2024, and have issued our report thereon dated September 19, 2024.

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 Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 19, 2024, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations 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 of the entity is Mi Escuela Montessori, Inc., and the school code assigned by the Florida Department of Education is 8201.

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 the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School 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 School. It is management's responsibility to monitor the School'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 financial condition assessment was done as of the fiscal year-end.

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

TRANSPARENCY

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

PURPOSE OF THIS LETTER

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



Orlando, Florida
September 19, 2024