



**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, 2025



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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, 2025. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's total net position decreased compared to the prior year.
- During 2025, the School's expenses exceeded revenues by \$85,054, which was a decrease from the prior year when revenues exceeded expenses by \$681,532.
- Overall, revenues decreased by approximately \$164,000, which was a 5% decrease from the prior year.
- Overall, expenses increased by approximately \$603,000, which was a 20% increase from the prior year.
- Total assets were \$1,491,060 and total liabilities were \$429,231, resulting in net position of \$1,061,829 as of June 30, 2025.

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, 2025 and 2024 is summarized as follows – see table below:

	Governmental Activities		Increase (Decrease)
	2025	2024	
Current and other assets	\$ 867,776	\$ 1,010,760	-14%
Capital assets, net	623,284	639,469	-3%
Total assets	<u>1,491,060</u>	<u>1,650,229</u>	<u>-10%</u>
Current and other liabilities	235,941	144,659	63%
Long-term liabilities	193,290	358,687	-46%
Total liabilities	<u>429,231</u>	<u>503,346</u>	<u>-15%</u>
Net position:			
Net investment in capital assets	447,063	297,266	50%
Unrestricted	614,766	849,617	-28%
Total net position	<u>\$ 1,061,829</u>	<u>\$ 1,146,883</u>	<u>-7%</u>

Current and other assets decreased primarily as a result of the current year operating deficit. Current and other liabilities changed due to the timing of payments at year-end. Long-term liabilities decreased due to current year payments on the lease liability. Net investment in capital assets is the result of capital assets, net reduced by related borrowings. Net position decreased overall due to the current year operating deficit and the activity noted above.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Change in Net Position

The School's total revenues decreased by 5% to \$3,460,808, and the total cost of all programs and services increased by 20% to \$3,545,862— see table below.

	Governmental Activities		Increase (Decrease)
	2025	2024	
Revenues:			
Federal sources passed through local school district	\$ 231,267	\$ 665,680	-65%
State and local sources	2,709,494	2,423,077	12%
Contributions and other revenue	520,047	535,952	-3%
Total revenues	<u>3,460,808</u>	<u>3,624,709</u>	<u>-5%</u>
Expenses:			
Instruction	2,325,935	1,859,323	25%
Student support services	51,343	34,253	50%
Instructional staff training	20,334	20,688	-2%
Instruction-related technology	18,712	20,353	-8%
Board	25,169	18,920	33%
General administration	108,430	105,862	2%
School administration	441,746	367,160	20%
Fiscal services	28,085	28,081	0%
Food services	158,675	127,092	25%
Student transportation services	46,970	44,009	7%
Operation of plant	262,317	245,135	7%
Community services	31,866	49,134	-35%
Interest	16,018	23,167	-31%
Debt issuance costs	10,262	-	100%
Total expenses	<u>3,545,862</u>	<u>2,943,177</u>	<u>20%</u>
Change in net position	<u>\$ (85,054)</u>	<u>\$ 681,532</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.

Instruction increased due to increased staffing and salaries in the current year. School administration increased due to increased salaries and marketing expense incurred in the current year. Food services increased due to general food vendor price increases.

**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 \$631,835. 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 2025, actual general fund revenues were approximately \$52,000 above the final budget, which represents a 2% budget variance. Actual general fund expenditures were approximately \$262,000 above the final budget, which represents a 9% budget variance.

Special Revenue Fund Budgetary Highlights

For 2025, actual special revenue fund revenues were not significantly different from the final budget amounts. Actual special revenue fund expenditures were approximately \$25,000 above the final budget, which represents a 10% budget variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School's investment in capital assets at the end of fiscal 2025 amounts to \$623,284 (net of accumulated depreciation). See table below:

	Governmental Activities		Increase
	2025	2024	(Decrease)
Construction in progress	\$ 165,390	\$ -	100%
Leased buildings	763,859	763,859	0%
Improvements other than buildings	196,096	196,096	0%
Furniture, fixtures and equipment	204,912	179,792	14%
Motor vehicles	136,297	136,297	0%
Less accumulated depreciation	<u>(843,270)</u>	<u>(636,575)</u>	<u>-32%</u>
Total capital assets, net	<u><u>\$ 623,284</u></u>	<u><u>\$ 639,469</u></u>	<u><u>-3%</u></u>

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

- School facility - construction in progress - \$165,390
- Tables - \$12,952

More detailed information about the School's capital assets is presented in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term Debt

As of June 30, 2025, the School had \$193,290 in long-term debt outstanding, consisting primarily of the lease liability. There were no major additions and scheduled payments reduced the amount outstanding in the current year. More detailed information about the School's long-term liabilities is presented in Note 8 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 2026:

- Projected increase in student population
- Projected salary increases

Amounts available for appropriation in the general fund are approximately \$3,212,000, an increase of 6% from the final 2025 amount of \$3,029,555. Budgeted expenditures are expected to be approximately \$3,186,000, a decrease of 2% from the final 2025 amount of \$3,239,927. The School has added no major new programs to the fiscal 2026 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to increase by the close of fiscal 2026.

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, 2025, 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, 2025, 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 31 - 32 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 16, 2025 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 16, 2025

**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, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 363,377
Investments	417,734
Accounts receivable	34,636
Other assets	52,029
Capital assets, net	623,284
Total assets	\$ 1,491,060
LIABILITIES	
Accounts payable and accrued expenses	\$ 218,047
Unearned revenues	17,894
Long-term liabilities:	
Due within one year	193,290
Total liabilities	429,231
NET POSITION	
Net investment in capital assets	447,063
Unrestricted	614,766
Total net position	1,061,829
Total liabilities and net position	\$ 1,491,060

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, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities:						
Instruction	\$ 2,325,935	\$ 299,379	\$ 107,088	\$ -	\$ (1,919,468)	\$ (1,919,468)
Student support services	51,343	-	3,438	-	(47,905)	(47,905)
Instructional staff training	20,334	-	17,891	-	(2,443)	(2,443)
Instruction-related technology	18,712	-	-	-	(18,712)	(18,712)
Board	25,169	-	-	-	(25,169)	(25,169)
General administration	108,430	-	-	-	(108,430)	(108,430)
School administration	441,746	20,500	-	-	(421,246)	(421,246)
Fiscal services	28,085	-	-	-	(28,085)	(28,085)
Food services	158,675	28,478	101,126	-	(29,071)	(29,071)
Student transportation services	46,970	-	-	-	(46,970)	(46,970)
Operation of plant	262,317	-	1,724	-	(260,593)	(260,593)
Community services	31,866	109,189	-	-	77,323	77,323
Interest	16,018	-	-	-	(16,018)	(16,018)
Debt issuance costs	10,262	-	-	-	(10,262)	(10,262)
Total primary government	<u>\$ 3,545,862</u>	<u>\$ 457,546</u>	<u>\$ 231,267</u>	<u>\$ -</u>	<u>(2,857,049)</u>	<u>(2,857,049)</u>
General revenues:						
State and local sources					2,709,494	2,709,494
Contributions and other revenue					62,501	62,501
Total general revenues					<u>2,771,995</u>	<u>2,771,995</u>
Change in net position					(85,054)	(85,054)
Net position at beginning of year					1,146,883	1,146,883
Net position at end of year					<u>\$ 1,061,829</u>	<u>\$ 1,061,829</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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 363,377	\$ -	\$ -	\$ 363,377
Investments	417,734	-	-	417,734
Accounts receivable	1,039	17,891	15,706	34,636
Other assets	52,029	-	-	52,029
Due from other funds	33,597	-	-	33,597
Total assets	\$ 867,776	\$ 17,891	\$ 15,706	\$ 901,373
 LIABILITIES				
Accounts payable and accrued expenditures	\$ 218,047	\$ -	\$ -	\$ 218,047
Unearned revenues	17,894	-	-	17,894
Due to general fund	-	17,891	15,706	33,597
Total liabilities	235,941	17,891	15,706	269,538
 FUND BALANCES				
Nonspendable:				
Other assets	52,029	-	-	52,029
Unassigned	579,806	-	-	579,806
Total fund balances	631,835	-	-	631,835
Total liabilities and fund balances	\$ 867,776	\$ 17,891	\$ 15,706	\$ 901,373

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, 2025

Total fund balances - total governmental funds \$ 631,835

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 \$1,466,554 and the accumulated depreciation is
\$843,270. 623,284

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	(17,069)
Lease liability	<u>(176,221)</u>

Total net position - governmental activities \$ 1,061,829

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, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Federal sources passed through local school district	\$ -	\$ 231,267	\$ -	\$ 231,267
State and local sources	2,537,986	-	171,508	2,709,494
Contributions and other revenue	491,569	28,478	-	520,047
Total revenues	<u>3,029,555</u>	<u>259,745</u>	<u>171,508</u>	<u>3,460,808</u>
EXPENDITURES				
Current:				
Instruction	2,073,819	107,088	-	2,180,907
Student support services	47,905	3,438	-	51,343
Instructional staff training	2,443	17,891	-	20,334
Instruction-related technology	18,712	-	-	18,712
Board	25,169	-	-	25,169
General administration	108,430	-	-	108,430
School administration	415,209	-	-	415,209
Facilities acquisition and construction	165,390	-	-	165,390
Fiscal services	28,085	-	-	28,085
Food services	-	153,498	-	153,498
Student transportation services	32,643	-	-	32,643
Operation of plant	244,382	1,724	-	246,106
Community services	31,866	-	-	31,866
Debt service:				
Principal	-	-	165,982	165,982
Interest	10,492	-	5,526	16,018
Debt issuance costs	10,262	-	-	10,262
Other capital outlay	25,120	-	-	25,120
Total expenditures	<u>3,239,927</u>	<u>283,639</u>	<u>171,508</u>	<u>3,695,074</u>
Deficiency of revenues over expenditures	<u>(210,372)</u>	<u>(23,894)</u>	<u>-</u>	<u>(234,266)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	23,894	-	23,894
Operating transfers out	(23,894)	-	-	(23,894)
Total other financing sources (uses)	<u>(23,894)</u>	<u>23,894</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(234,266)	-	-	(234,266)
Fund balances at beginning of year	866,101	-	-	866,101
Fund balances at end of year	<u>\$ 631,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,835</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**

**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, 2025

Net changes in fund balances - total governmental funds \$ (234,266)

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 depreciation expense (\$206,695) exceeds capital outlays (\$190,510) in the current period. (16,185)

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. (585)

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. 165,982

Change in net position of governmental activities \$ (85,054)

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, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,151
Total assets	<u>\$ 1,151</u>
NET POSITION	
Restricted for:	
Student activities	\$ 1,151
Total net position	<u>\$ 1,151</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, 2025

	Custodial Fund
ADDITIONS	
Collections for student activities	\$ 14,730
Total additions	14,730
DEDUCTIONS	
Payments for student activities	13,837
Total deductions	13,837
Change in net position	893
Net position at beginning of year	258
Net position at end of year	\$ 1,151

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, 2025

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, 2026 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

Cash and cash equivalents consisted of the following balances as of June 30, 2025:

Cash deposits in financial institutions:	
Insured by Federal Deposit Insurance Corporation	\$ 10,057
Held in qualified public depositories	<u>354,471</u>
Total cash and cash equivalents	<u><u>\$ 364,528</u></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)**

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 some of 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, 2025, all cash balances were fully insured by the FDIC. The School has not historically experienced losses on its cash and cash equivalents.

Some of the School's cash deposits are held by banks qualified as public depositories under Florida law. All deposits held by qualified public depositories are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool under Chapter 280, Florida Statutes.

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 buildings	7 - 15
Furniture, fixtures and equipment	3 - 7
Motor vehicles	12 - 15

Information relative to changes in capital assets is described in Note 6.

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.

**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 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 8.

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 8.

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.

**MI ESCUELA MONTESSORI, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

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. 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 16, 2025, 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 fair value of \$417,753. The fund exclusively invests in U.S. Treasury bills that mature in 1 – 5 years.

3 ACCOUNTS RECEIVABLE

Accounts receivable in the accompanying financial statements include \$34,636 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.

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

**NOTES TO FINANCIAL STATEMENTS
(continued)**

4 OTHER ASSETS

Other assets consists of the following as of June 30, 2025:

Deposits	\$	50,930
Prepaid expenses		1,099
		1,099
Total other assets	\$	52,029

5 INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances as of June 30, 2025:

	Interfund Receivables	Interfund Payables
General fund	\$ 33,597	\$ -
Special revenue fund	-	17,891
Capital projects fund	-	15,706
	-	15,706
Total interfund	\$ 33,597	\$ 33,597

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.

A summary of transfers between funds for the year ended June 30, 2025 is shown below:

	Transfers In	Transfers Out
General fund	\$ -	\$ 23,894
Special revenue fund	23,894	-
	23,894	-
Total interfund	\$ 23,894	\$ 23,894

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

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

**NOTES TO FINANCIAL STATEMENTS
(continued)**

6 CHANGES IN CAPITAL ASSETS

Capital asset activity during 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 165,390	\$ -	\$ 165,390
Total capital assets not being depreciated	<u>-</u>	<u>165,390</u>	<u>-</u>	<u>165,390</u>
Capital assets being depreciated:				
Leased buildings	763,859	-	-	763,859
Improvements other than buildings	196,096	-	-	196,096
Furniture, fixtures and equipment	179,792	25,120	-	204,912
Motor vehicles	136,297	-	-	136,297
Total capital assets being depreciated	<u>1,276,044</u>	<u>25,120</u>	<u>-</u>	<u>1,301,164</u>
Less accumulated depreciation for:				
Leased buildings	(509,481)	(127,189)	-	(636,670)
Improvements other than buildings	(38,509)	(18,826)	-	(57,335)
Furniture, fixtures and equipment	(78,363)	(47,050)	-	(125,413)
Motor vehicles	(10,222)	(13,630)	-	(23,852)
Total accumulated depreciation	<u>(636,575)</u>	<u>(206,695)</u>	<u>-</u>	<u>(843,270)</u>
Capital assets being depreciated, net	<u>639,469</u>	<u>(181,575)</u>	<u>-</u>	<u>457,894</u>
Governmental activities capital assets, net	<u>\$ 639,469</u>	<u>\$ (16,185)</u>	<u>\$ -</u>	<u>\$ 623,284</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 144,443
School administration	26,537
Food services	5,177
Student transportation services	14,327
Operation of plant	<u>16,211</u>
Total governmental activities depreciation expense	<u>\$ 206,695</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)**

7 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, 2025 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.

Employee Benefit Plan

The School sponsors the Mi Escuela Montessori, Inc. 403(b) Plan (the "Plan"), which is a defined contribution plan. The Plan operates under Section 403(b) of the Internal Revenue Code. Substantially all employees may contribute up to an annual maximum of pretax annual compensation, as defined in the Plan. Under the terms of the Plan, the School may make matching contributions or a discretionary contribution to the Plan for employees over the age of 18 and who complete one month of service, which is determined annually by the Board of Directors.

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 School's contributions during fiscal year 2025 totaled \$20,865, which was charged to the following functions in the accompanying financial statements:

Governmental activities:	
Instruction	\$ 13,704
Student support services	253
School administration	5,731
Food services	250
Operation of plant	369
Community services	558
Total contributions	\$ 20,865

8 LONG-TERM LIABILITIES

Long-term liabilities activity during 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 16,484	\$ 585	\$ -	\$ 17,069	\$ 17,069
Lease liability	342,203	-	(165,982)	176,221	176,221
Governmental activities, long-term liabilities	\$ 358,687	\$ 585	\$ (165,982)	\$ 193,290	\$ 193,290

Compensated absences are presented net. Lease liability is 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 requires monthly rent of \$15,167 through June 2026. The discount rate used for this lease is 6.0%. Leased assets as of June 30, 2025 consist of the following:

	Governmental Activities
Leased building	\$ 763,859
Less accumulated depreciation	(636,670)
	\$ 127,189

**MI ESCUELA MONTESSORI, INC.
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DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

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

Year Ended June 30,	Principal	Interest	Total
2026	\$ 176,221	\$ 5,779	\$ 182,000
	\$ 176,221	\$ 5,779	\$ 182,000

Financing Arrangements

In July 2025, the School purchased land for a contract sales price of approximately \$1,300,000. Prior to June 30, 2025, the School made an earnest money deposit of \$25,000 toward the purchase of this land, which is recorded in other assets in the accompanying financial statements. Closing costs of approximately \$92,000 were incurred in connection with the acquisition. The School also closed on a note payable totaling \$17,600,000 in July 2025 for the land and future construction of a new school facility. Interest-only payments are required until August 1, 2027 at a fixed rate of 5.95%. Beginning September 2027, principal and interest payments, which will be determined at a later date, will be due monthly. The note is secured by the School facility and is subject to certain financial covenants. The note matures in July 2030. Prior to June 30, 2025, the School also made a refundable good faith deposit of \$20,000 for closing costs with the financial institution that issued the note payable. This deposit is included in other assets in the accompanying financial statements.

Also subsequent to year-end, the School entered into a separate agreement with the same institution to borrow up to \$500,000 to fund pre-development costs associated with the facility project. This loan bears interest at 5.25% with monthly interest-only payments required. The loan will mature at the earlier of one year from the loan closing date or the first draw for Phase 2 construction on the initial note payable.

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

**NOTES TO FINANCIAL STATEMENTS
(continued)**

9 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	\$ 1,596,864
Class size reduction	284,834
Capital outlay	171,508
ESE guaranteed allocation	117,612
Discretionary local effort	117,577
Discretionary millage compression funds	113,241
VPK revenue	97,247
Supplemental academic instruction	69,529
Student transportation	49,966
School recognition funds	33,201
Safe schools	24,630
Mental health assistance allocation	17,132
Teacher supply funds	8,800
Educational enrichment stabilization program	7,353
	<hr/>
Total	<u><u>\$ 2,709,494</u></u>

The administrative fee paid to the School Board during fiscal 2025 totaled \$108,430, 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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Final Budget-</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
State and local sources	\$ 2,585,000	\$ 2,462,000	\$ 2,537,986	\$ 75,986
Contributions and other revenue	505,000	515,700	491,569	(24,131)
Total revenues	<u>3,090,000</u>	<u>2,977,700</u>	<u>3,029,555</u>	<u>51,855</u>
EXPENDITURES				
Current:				
Instruction	1,985,692	2,025,090	2,073,819	(48,729)
Student support services	47,938	47,835	47,905	(70)
Instructional staff training	11,972	2,470	2,443	27
Instruction-related technology	23,000	18,715	18,712	3
Board	27,000	25,190	25,169	21
General administration	-	-	108,430	(108,430)
School administration	412,585	413,720	415,209	(1,489)
Facilities acquisition and construction	-	-	165,390	(165,390)
Fiscal services	33,000	28,100	28,085	15
Food services	25,002	24,970	-	24,970
Student transportation services	47,399	32,645	32,643	2
Operation of plant	326,142	256,520	244,382	12,138
Community services	129,467	102,440	31,866	70,574
Debt service:				
Interest	-	-	10,492	(10,492)
Debt issuance costs	-	-	10,262	(10,262)
Other capital outlay	-	-	25,120	(25,120)
Total expenditures	<u>3,069,197</u>	<u>2,977,695</u>	<u>3,239,927</u>	<u>(262,232)</u>
Excess (deficiency) of revenues over expenditures	<u>20,803</u>	<u>5</u>	<u>(210,372)</u>	<u>(210,377)</u>
OTHER FINANCING USES				
Operating transfer out	-	-	(23,894)	(23,894)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(23,894)</u>	<u>(23,894)</u>
Net change in fund balance	20,803	5	(234,266)	(234,271)
Fund balance at beginning of year	<u>866,101</u>	<u>866,101</u>	<u>866,101</u>	<u>-</u>
Fund balance at end of year	<u>\$ 886,904</u>	<u>\$ 866,106</u>	<u>\$ 631,835</u>	<u>\$ (234,271)</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources passed through local school district	\$ 239,984	\$ 230,545	\$ 231,267	\$ 722
Contributions and other revenue	30,000	28,475	28,478	3
Total revenues	<u>269,984</u>	<u>259,020</u>	<u>259,745</u>	<u>725</u>
EXPENDITURES				
Current:				
Instruction	140,656	107,035	107,088	(53)
Student support services	3,800	3,540	3,438	102
Instructional staff training	13,528	17,890	17,891	(1)
Food services	110,500	128,840	153,498	(24,658)
Operation of plant	1,500	1,720	1,724	(4)
Total expenditures	<u>269,984</u>	<u>259,025</u>	<u>283,639</u>	<u>(24,614)</u>
Deficiency of revenues over expenditures	-	(5)	(23,894)	(23,889)
OTHER FINANCING SOURCES				
Operating transfer in	-	-	23,894	23,894
Total other financing sources	-	-	23,894	23,894
Net changes in fund balance	-	(5)	-	5
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ 5</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, 2025, 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 16, 2025.

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.

BKHM, P.A.

Orlando, Florida
September 16, 2025

**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, 2025, and have issued our report thereon dated September 16, 2025.

AUDITOR'S RESPONSIBILITY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 16, 2025, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

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

BKHM, P.A.

Orlando, Florida
September 16, 2025