

**ATLANTIC MONTESSORI CHARTER
SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC
MONTESSORI CHARTER SCHOOL, INC.)**

A Charter School and Component Unit of the
District School Board of Broward County, Florida

INDEPENDENT AUDITOR'S REPORT
for the fiscal year ended JUNE 30, 2020

King & Walker, CPAs, PL

Certified Public Accountants

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**ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC MONTESSORI CHARTER, INC.)**

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Independent Auditor's Report

To the Board of Directors of the Atlantic Montessori Charter School West Campus K-5
(A charter school under Atlantic Montessori Charter School, Inc.),
a Charter School and Component Unit of the District
School Board of Broward County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Atlantic Montessori Charter School West Campus K-5 ("School"), a charter school under Atlantic Montessori Charter School, Inc., and component unit of the District School Board of Broward County, Florida, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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 Atlantic Montessori Charter School West Campus K-5, as of June 30, 2020, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Atlantic Montessori Charter School West Campus K-5 at June 30, 2020, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Atlantic Montessori Charter School, Inc. These financial statements do not purport to and do not present fairly the financial position of Atlantic Montessori Charter School, Inc. as of June 30, 2020, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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 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 14, 2020 on our consideration of Atlantic Montessori Charter School West Campus K-5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Atlantic Montessori Charter School West Campus K-5's internal control over financial reporting and compliance.

Respectfully submitted,



September 14, 2020
Tampa, Florida

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC MONTESSORI CHARTER SCHOOL, INC.)

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Atlantic Montessori Charter School West Campus K-5 ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2020.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2020, the School's revenue exceeded expenses as shown on the School's statement of activities by \$19,076.
- As shown on the statement of net position, the School reported a total net position balance of \$119,899.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates three funds, a General Fund; a Special Revenue Fund; and a Capital Projects Fund. For reporting purposes the General Fund and Capital Projects Fund are major funds of the School. Data from the other governmental funds are combined into a single aggregate presentation.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

	Net Position, End of Year		
	<u>Governmental Activities</u>		
	<u>6-30-19</u>	<u>6-30-20</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 126,677	\$ 449,527	\$ 322,850
Capital Assets, net	<u>19,302</u>	<u>15,920</u>	<u>(3,382)</u>
Total Assets	<u>145,979</u>	<u>465,447</u>	<u>319,468</u>
LIABILITIES			
Current Liabilities	45,156	195,548	150,392
Long Term Liabilities	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Total Liabilities	<u>45,156</u>	<u>345,548</u>	<u>300,392</u>
NET POSITION			
Net Investment in Capital Assets	19,302	15,920	(3,382)
Unrestricted	<u>81,521</u>	<u>103,979</u>	<u>22,458</u>
Total Net Position	<u>\$ 100,823</u>	<u>\$ 119,899</u>	<u>\$ 19,076</u>

The current assets of the School consist of cash & cash equivalents, amounts due from other agency, and deposits. Current liabilities consist primarily of salaries and benefits payable and a loan payable issued through the Paycheck Protection Program (PPP). Total net position amounted to \$119,899.

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MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School’s change in net position for the current year and prior year:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-19</u>	<u>6-30-20</u>	<u>Increase (Decrease)</u>
Revenues:			
State Sources	\$ 1,189,539	\$ 1,220,234	\$ 30,695
Local and Other	148,759	144,382	(4,377)
Total Revenues	<u>1,338,298</u>	<u>1,364,616</u>	<u>26,318</u>
Expenses:			
Instruction	515,483	561,437	45,954
Student Personnel Services	3,134	2,900	(234)
Instructional Staff Training	440	676	236
Instruction Related Technology	-	270	270
Board of Education	-	6,000	6,000
School Administration	219,085	246,884	27,799
Fiscal Services	30,725	25,847	(4,878)
Food Services	20,941	14,659	(6,282)
Central Services	24	31,050	31,026
Student Transportation	1,964	513	(1,451)
Operation of Plant	316,360	418,824	102,464
Maintenance of Plant	13,053	14,549	1,496
Community Service	8,259	18,449	10,190
Debt Service - Interest & Fiscal Charges	17,276	100	(17,176)
Unallocated Depreciation	3,381	3,382	1
Total Expenses	<u>1,150,125</u>	<u>1,345,540</u>	<u>195,415</u>
Increase in Net Position	<u>\$ 188,173</u>	<u>\$ 19,076</u>	<u>\$ (169,097)</u>

The largest revenue source for the School is the State of Florida (89%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay. Both sources utilize student enrollment data to determine the funds available for the School.

The largest concentration of expenses was for Instruction (42%) and Operation of Plant (31%). Operation of Plant which increased due to an increase in rent and salaries due to the hiring of a school security guard. The other expense categories experienced increases and decreases between fiscal years due to general economic conditions and the changing financial needs of the School.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$253,979.

BUDGETARY HIGHLIGHTS

The General Fund budget for the fiscal year ended June 30, 2020, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School revised its budget several times. Refer to the Budgetary Comparison Schedule – General Fund for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$15,920 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment and leasehold improvements. Additional information regarding the School's capital assets can be found in a subsequent note to the financial statements.

DEBT ADMINISTRATION

In the 2019-20 fiscal year, the School entered into a promissory note payable for \$150,000 through the COVID-19 SBA Economic Injury Disaster Loan Program. The remaining balance as of June 30, 2020, of \$150,000 is payable in annual principal and interest payments through June 30, 2050. Additional information regarding the School's long-term debt is located in the notes to the financial statements.

In the 2019-20 fiscal year, Atlantic Montessori Charter School, Inc., the School's charter holder, received a Paycheck Protection Program (PPP) Loan under the CARES Act to be used for payroll costs and health care benefits. The School was allocated \$145,220 of the total loan amount. This loan is expected to be forgiven or repaid during the 2020-21 fiscal year. Additional information regarding the School's short-term debt is located in notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2020-21 include:

- Continued funding from FEFP.
- Expected increase in enrollment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Atlantic Montessori Charter School West Campus K-5's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Juana Garcia, Director, 2550 S. Flamingo Road., Davie, FL 33325.

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC MONTESSORI CHARTER SCHOOL, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities
ASSETS	
Cash & Cash Equivalents	\$ 385,157
Due From Other Agency	10,277
Deposits	54,093
Capital Assets:	
Leasehold Improvements, Net	14,602
Furniture, Fixtures, and Equipment, Net	1,318
Total Capital Assets, Net	15,920
TOTAL ASSETS	465,447
LIABILITIES	
Accounts Payable	5,166
Salaries & Benefits Payable	31,380
Due to Related Party	13,782
Loan Payable	145,220
Long-Term Liabilities:	
Note Payable, Due After One Year	150,000
TOTAL LIABILITIES	345,548
NET POSITION	
Net Investment in Capital Assets	15,920
Unrestricted	103,979
TOTAL NET POSITION	\$ 119,899

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

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC MONTESSORI CHARTER SCHOOL, INC.)
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DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 561,437	\$ -	\$ -	\$ -	\$ (561,437)
Student Support Services	2,900				(2,900)
Instructional Staff Training	676				(676)
Instructional-Related Technology	270				(270)
Board of Education	6,000				(6,000)
School Administration	246,884				(246,884)
Fiscal Services	25,847				(25,847)
Food Services	14,659	24,096			9,437
Central Services	31,050				(31,050)
Student Transportation	513				(513)
Operation of Plant	418,824			75,410	(343,414)
Maintenance of Plant	14,549				(14,549)
Community Service	18,449	71,446			52,997
Debt Service - Interest & Fiscal Charges	100				(100)
Unallocated Depreciation	3,382				(3,382)
Total Governmental Activities	\$ 1,345,540	\$ 95,542	\$ -	\$ 75,410	(1,174,588)
General Revenues:					
State Sources					1,144,824
Local and Other					48,840
Total General Revenues					1,193,664
Change in Net Position					19,076
Net Position - July 1, 2019					100,823
Net Position - June 30, 2020					\$ 119,899

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

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
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DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Capital Projects Fund	Other Governmental Fund	Total Governmental Activities
ASSETS				
Cash & Cash Equivalents	\$ 385,157	\$ -	\$ -	\$ 385,157
Due From Other Agency	4,275	6,002		10,277
Deposits	54,093			54,093
Due From Other Funds	6,002			6,002
Total Assets	\$ 449,527	\$ 6,002	\$ -	\$ 455,529
 LIABILITIES				
Accounts Payable	\$ 5,166	\$ -	\$ -	\$ 5,166
Salaries & Benefits Payable	31,380			31,380
Due to Related Party	13,782			13,782
Loan Payable	145,220			145,220
Due to Other Funds		6,002		6,002
Total Liabilities	195,548	6,002	-	201,550
 FUND BALANCES				
Nonspendable	54,093			54,093
Unassigned	199,886			199,886
Total Fund Balances	253,979	-	-	253,979
Total Liabilities and Fund Balances	\$ 449,527	\$ 6,002	\$ -	\$ 455,529

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

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DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

June 30, 2020

Total Fund Balances - Governmental Funds	\$ 253,979
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	15,920
Long-term liabilities are not payable in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(150,000)</u>
Total Net Position - Governmental Activities	<u><u>\$ 119,899</u></u>

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

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
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DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Other Governmental Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
State Sources	\$ 1,144,824	\$ 75,410	\$ -	\$ 1,220,234
Local and Other	120,286		24,096	144,382
Total Revenues	1,265,110	75,410	24,096	1,364,616
Expenditures				
Current - Education:				
Instruction	561,437			561,437
Student Support Services	2,900			2,900
Instructional Staff Training	676			676
Instructional-Related Technology	270			270
Board of Education	6,000			6,000
School Administration	246,884			246,884
Fiscal Services	25,847			25,847
Food Services			14,659	14,659
Central Services	31,050			31,050
Student Transportation	513			513
Operation of Plant	343,414	75,410		418,824
Maintenance of Plant	14,549			14,549
Community Service	18,449			18,449
Debt Service:				
Interest & Fiscal Charges	100			100
Total Expenditures	1,252,089	75,410	14,659	1,342,158
Excess (Deficiency) of Revenues				
Over Expenditures	13,021	-	9,437	22,458
Other Financing Sources (Uses):				
Proceeds from Loan	150,000			150,000
Transfers In/(Out)	9,437		(9,437)	-
Total Other Financing Sources (Uses)	159,437	-	(9,437)	150,000
Net Change in Fund Balances				
Fund Balances, July 1, 2019	81,521	-	-	81,521
Fund Balances, June 30, 2020	\$ 253,979	\$ -	\$ -	\$ 253,979

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

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
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RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Governmental Funds \$ 172,458

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of depreciation expense (\$3,382) in excess capital outlay expenditures (\$0) in the current period.

(3,382)

Change in Net Position - Governmental Activities \$ 19,076

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

**ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
(A CHARTER SCHOOL UNDER ATLANTIC MONTESSORI CHARTER SCHOOL, INC.)**

A Charter School and Component Unit of the District School Board of Broward County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Atlantic Montessori Charter School West Campus K-5 (“School”), a charter school under Atlantic Montessori Charter School, Inc., is a component of the District School Board of Broward County, Florida (“District”). The School’s charter is held by Atlantic Montessori Charter School, Inc., 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 comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Atlantic Montessori Charter School, Inc. as of June 30, 2020, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Broward County, Florida, (“District”). The current charter is effective until June 30, 2020 and is subject to annual review and may be renewed by mutual agreement between the School and the District. In June 2020, the District renewed the charter agreement for an additional 5 years through June 30, 2025. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District 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 District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; 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 which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria 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.

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A Charter School and Component Unit of the District School Board of Broward County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Capital Projects Fund – to account for all resources for the acquisition of capital and related items purchased by the School with capital outlay funds.

Financial data from the remaining governmental funds are presented in the aggregate.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, 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 financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized

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when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash deposits consist of demand deposits local financial institutions. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 years
Leasehold Improvements	10 years

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➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for

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June 30, 2020

resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.

- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (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 (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such

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adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2020, the School reported 149.51 unweighted FTE and 164.7827 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state 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 or state 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 receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the School's financial position, results of its operations and/or cash flows, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. As of June 30, 2020, the School was exposed to custodial credit risk. The School's bank accounts exceeded the FDIC insurance limit by \$135,157.

3. DUE FROM OTHER AGENCY

Amounts Due from Other Agency included in the accompanying statement of net position and balance sheet – governmental funds consists of amounts due from the Broward County District School Board for reimbursement recorded in the General Fund and for Charter School Capital Outlay recorded in the Capital Projects Fund. This receivable is considered to be fully collectible and as such, no allowance for uncollectible is accrued.

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4. INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

At June 30, 2020, the Capital Projects Fund owed the General Fund \$6,002 for expenditures awaiting reimbursement from other agencies. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

The Special Revenue Fund transferred \$9,437 to the General Fund to reimburse the General Fund for expenses incurred in support of the School's food service program. The amounts of interfund transfers are netted together and not reported in the statement of activities.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ 24,318	\$ -	\$ -	\$ 24,318
Furniture, Fixtures and Equipment	4,393			4,393
Total Capital Assets Being Depreciated	<u>28,711</u>	<u>-</u>	<u>-</u>	<u>28,711</u>
Less Accumulated Depreciation for:				
Leasehold Improvements	(7,213)	(2,503)		(9,716)
Furniture, Fixtures and Equipment	(2,196)	(879)		(3,075)
Total Accumulated Depreciation	<u>(9,409)</u>	<u>(3,382)</u>	<u>-</u>	<u>(12,791)</u>
Governmental Activities Capital Assets, net	<u>\$ 19,302</u>	<u>\$ (3,382)</u>	<u>\$ -</u>	<u>\$ 15,920</u>

All depreciation expense is shown as unallocated on the Statement of Activities.

6. LOAN PAYABLE

Atlantic Montessori Charter School, Inc., the School's charter holder, was granted a loan from Regions Bank in May 2020, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The School was allocated \$145,220 of the total loan amount.

The Loan, which was in the form of a Note dated May 2, 2020, matures on May 2, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 2, 2020. The Note may be prepaid by the School at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The School intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

7. NOTE PAYABLE

As of June 30, 2020, the School's long-term debt included the following note payable:

	<u>Balance at 6-30-20</u>
<u>Small Business Administration</u>	
\$150,000; COVID-19 SBA Economic Injury Disaster Loan. Note dated June 20, 2020; matures on June 20, 2050; interest of 2.75% per annum. Principal and interest payments begin July 2021. In the event of default, the SBA may require immediate payment of all amounts owed under this note, file suit and obtain judgement, or take possession of any collateral (all tangible and intangible personal property as described in the note agreement).	\$ 150,000
Total	<u><u>\$ 150,000</u></u>

Future amounts payable for the note payable follows:

<u>Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 4,238	\$ -	\$ 4,238
2022	7,692	3,497	4,195
2023	7,692	3,595	4,097
2024	7,692	3,695	3,997
2025	7,692	3,798	3,894
2026-30	38,460	20,636	17,824
2031-35	38,460	23,673	14,787
2036-40	38,460	27,160	11,300
2041-45	38,460	31,157	7,303
2046-50	35,504	32,789	2,715
Total	<u><u>\$ 224,350</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 74,350</u></u>

8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
GOVERNMENTAL ACTIVITIES:					
Note Payable	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -
Total Governmental Activities	<u><u>\$ -</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ -</u></u>

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NOTES TO FINANCIAL STATEMENTS

June 30, 2020

9. DUE TO RELATED PARTY

The School reported a payable of \$13,782 that is due to Atlantic Montessori Charter School, Inc., the School's charter-holder and related party through common control of an affiliated charter school, in its statement of net assets and balance sheet – governmental funds. This amount represents cash advances received to partially fund the School's operations.

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 718,203
Class Size Reduction	204,471
Discretionary Local Effort	87,159
Capital Outlay	75,410
ESE Guaranteed Allocation	39,142
Supplementary Academic Instruction	33,088
School Recognition	14,945
Best & Brightest Teachers Program	14,233
Instructional Materials	11,140
Safe Schools	8,961
Reading Allocation	6,561
Mental Health Allocation	3,642
Teachers' Lead	2,884
Digital Classrooms Allocation	239
Discretionary Lottery	156
Total State Revenue	<u>\$ 1,220,234</u>

As provided in the charter school contract, the District has charged the School an administrative fee equal to 5% of total funding of \$55,635.

11. FACILITY LEASE

The School is currently leasing the school facility from the Moses Family Limited Partnership. The initial term of the lease is for 10 years, expiring on July 31, 2025. This lease calls for annual adjustments, starting in year 3, in base rent based on the Consumer Price Index, contains varying renewal options, and requires the School to pay insurance and utility costs. Total rental costs during the fiscal year amounted to \$294,216.

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12. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

13. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

14. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state 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 the collectability of any related receivables at June 30, 2020, may be impaired.

In the opinion of the School, there are no significant 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.

15. 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.

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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State Sources	\$ 1,018,113	\$ 1,144,824	\$ 1,144,824	\$ -
Local and Other	119,400	120,286	120,286	-
Total Revenues	<u>1,137,513</u>	<u>1,265,110</u>	<u>1,265,110</u>	<u>-</u>
Expenditures:				
Current - Education:				
Instruction	509,042	561,437	561,437	-
Student Support Services	3,000	2,900	2,900	-
Instructional Staff Training	500	676	676	-
Instructional Related Technology	500	270	270	-
Board of Education	15,850	6,000	6,000	-
School Administration	212,575	246,884	246,884	-
Fiscal Services	18,750	25,847	25,847	-
Central Services	36,049	31,050	31,050	-
Student Transportation	3,500	513	513	-
Operation of Plant	248,792	343,414	343,414	-
Maintenance of Plant	10,000	14,549	14,549	-
Community Service	8,275	18,449	18,449	-
Debt Service:				
Interest & Fiscal Charges	-	100	100	-
Total Expenditures	<u>1,066,833</u>	<u>1,252,089</u>	<u>1,252,089</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>70,680</u>	<u>13,021</u>	<u>13,021</u>	<u>-</u>
Other Financing Sources (Uses):				
Proceeds from Loan	-	150,000	150,000	-
Transfers In/(Out)	4,000	9,437	9,437	-
Total Other Financing Sources (Uses)	<u>4,000</u>	<u>159,437</u>	<u>159,437</u>	<u>-</u>
Net Change in Fund Balance	74,680	172,458	172,458	-
Fund Balance, July 1, 2019	81,521	81,521	81,521	-
Fund Balance, June 30, 2020	<u>\$ 156,201</u>	<u>\$ 253,979</u>	<u>\$ 253,979</u>	<u>\$ -</u>

See Independent Auditor's Report.

ATLANTIC MONTESSORI CHARTER SCHOOL WEST CAMPUS K-5
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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

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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 the Atlantic Montessori Charter School West Campus K-5
(A charter school under Atlantic Montessori Charter School, Inc.),
a Charter School and Component Unit of the District
School Board of Broward 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 Atlantic Montessori Charter School West Campus K-5 ("School"), a charter school under Atlantic Montessori Charter School, Inc., and component unit of the District School Board of Broward County, Florida, as of and for the year ended June 30, 2020, 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 14, 2020.

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that have not been identified.

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 compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 14, 2020
Tampa, Florida

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

To the Board of Directors of the Atlantic Montessori Charter School West Campus K 5
(A charter school under Atlantic Montessori Charter School, Inc.),
a Charter School and Component Unit of the District
School Board of Broward County, Florida

Report on the Financial Statements

We have audited the financial statements of Atlantic Montessori Charter School West Campus K-5 (“School”), a charter school under Atlantic Montessori Charter School, Inc., and component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 14, 2020.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 14, 2020, 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 prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Atlantic Montessori Charter School West Campus, 065164.

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 review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we 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 Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

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

Purpose of this Letter

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

Respectfully submitted,



September 14, 2020
Tampa, Florida