



May Sands Montessori School, Inc.
(A Charter School and Component Unit
of the Monroe County District School Board)

Key West, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2025

TABLE OF CONTENTS

General Information	1
Independent Auditors' Report.	2-4
Management's Discussion and Analysis (Required Supplementary Information)	5-9
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities.	11
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds.	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.	15
 <i>Notes to the Basic Financial Statements</i>	 16-25
Required Supplementary Information:	
Budgetary Comparison Schedules	26-27
 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 <i>Government Auditing Standards</i>	 28-29
Management Letter	30-31

May Sands Montessori School, Inc.
1400 United Street,
Key West, FL 33040
2024-2025

BOARD OF DIRECTORS

Michael Hutchison Ph.D., President
Jordana Eisenstein-Gringer, Vice President
James Villegas, Secretary
Chris Occhiuto, Treasurer
Christina Joy, Board Member
April Allen, Board Member
George Christow, Board Member, effective May 2025
Jakub Blazek, Board Member, effective January 2025

SCHOOL ADMINISTRATION

Sandra McCoy, Principal



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
May Sands Montessori School, Inc.
Key West, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of May Sands Montessori School, Inc. (the "School"), a component unit of the Monroe County District School Board, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of May Sands Montessori School, Inc. as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 May Sands Montessori School, Inc., 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 May Sands Montessori School, Inc.'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.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

Auditors' 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 and budgetary comparison information on pages 5 through 9 and 26 to 27 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 October 20, 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, 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 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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 20, 2025

Management's Discussion and Analysis

May Sands Montessori School, Inc.,

June 30, 2025

The May Sands Montessori School, Inc. (the "School") earned the distinction of being the first public charter school in Monroe County, Florida, established in 1997. Operating in Key West, the School offers an educational curriculum and program design that is authentically grounded in Montessori pedagogy. Over the years, the School has expanded its offerings to include four program levels: a primary (PK3, VPK and kindergarten) program, a lower elementary program (grades 1-3), an upper elementary program (grades 4-6), and an early secondary program (grades 7 and 8). Students in grades PK3 through eight participate in state mandated assessments, yearly, in accordance with the School's public charter status.

The corporate officers of May Sands Montessori School, Inc. have prepared this narrative overview and analysis of the school's financial activities for the year ended June 30, 2025.

Financial Highlights

1. The net position of the School at June 30, 2025 was \$632,587.
2. At year-end, the School had current assets on hand of \$555,228.
3. The School had an increase in net position of \$91,545 for the year ended June 30, 2025.
4. The unassigned fund balance at year end was \$482,295.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2025 are presented under GASB codification 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 - 11 of this report.
Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government’s requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with the School’s budget.

The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 16 –25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school’s financial position. In the case of the School, the net position was \$632,587 at the close of the fiscal year. A summary of the School’s net position as of June 30, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 547,203	\$ 430,828
Prepaid expenses and other current assets	2,989	2,760
Accounts receivable, net	2,278	2,040
Due from other agencies	2,758	-
Capital and right of use assets, net	<u>391,260</u>	<u>442,687</u>
Total Assets	<u>946,488</u>	<u>878,315</u>
Accounts payable and accrued liabilities	14,536	40
Lease liability	<u>299,365</u>	<u>337,233</u>
Total Liabilities	<u>313,901</u>	<u>337,273</u>
Net Position:		
Net investment in capital assets	91,895	105,454
Unrestricted	<u>540,692</u>	<u>435,588</u>
Total Net Position	<u>\$ 632,587</u>	<u>\$ 541,042</u>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 22,582	\$ 45,040
Capital outlay grants and contributions	27,546	34,536
Charges for services	105,353	107,202
General Revenues		
State and local sources	1,183,784	1,074,395
Other revenues	34,093	25,784
Total Revenues	<u>\$ 1,373,358</u>	<u>\$ 1,286,957</u>
EXPENSES		
Instruction	\$ 841,184	\$ 935,240
Student support services	12,505	12,361
Instructional media services	-	4,420
Instructional and curriculum development services	7,179	7,034
Instructional staff training	6,236	13,602
Board	19,901	26,162
School administration	236,270	316,087
Facilities acquisition	687	8,598
Fiscal services	10,929	11,754
Central services	5,467	5,380
Student transportation services	3,631	2,083
Operation of plant	105,035	98,751
Maintenance of plant	551	593
Administrative technology services	826	750
Community services	21,813	27,768
Debt service	9,599	75,717
Total Expenses	<u>1,281,813</u>	<u>1,546,300</u>
Change in Net Position	91,545	(259,343)
Net Position at Beginning of Year	541,042	800,385
Net Position at End of Year	<u>\$ 632,587</u>	<u>\$ 541,042</u>

The School's revenues increased by \$86,401 and expenses decreased by \$264,487. The School had a increase in its net position of \$91,545 for the year.

School Location

The School's premises is located at 1400 United Street, Key West, FL 33040.

Capital Improvements Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$485,284. The fund balance unassigned and available for spending at the School's discretion is \$482,295. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital and right of use assets as of June 30, 2025 amounts to \$391,260 (net of accumulated depreciation and amortization). This investment in capital assets includes building right of use asset, improvements, furniture, fixtures and equipment. At June 30, 2025, the School had long term liabilities of \$299,365 associated to its capital assets.

The lease asset is amortized using the straight-line method over the term of the lease and the lease liability amortizes based on the effective interest method resulting in a higher liability and expense during the early years of the lease.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
Capital grants and contributions	\$ 34,536	\$ 34,536	\$ 27,546
Federal sources	-	-	22,582
Charges for service	72,950	72,950	50,864
General Revenues			
State and local sources	1,103,307	1,103,307	1,183,784
Charges and other revenues	191,983	191,983	88,582
Total Revenues	<u>1,402,776</u>	<u>1,402,776</u>	<u>1,373,358</u>
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	876,261	876,261	841,184
Student support services	12,500	12,500	12,505
Instructional and curriculum development services	7,201	7,201	7,179
Instructional staff training	10,600	10,600	6,236
Board	19,800	19,800	19,901
School administration	233,480	233,480	236,270
Facilities acquisition	59,717	59,717	687
Fiscal services	28,516	28,516	10,929
Central services	5,000	5,000	5,467
Student transportation services	2,000	2,000	3,631
Operation of plant	73,351	73,351	53,608
Maintenance of plant	400	400	551
Administrative technology services	-	-	826
Community services	1,000	1,000	21,813
Total Current Expenditures	<u>\$ 1,329,826</u>	<u>\$ 1,329,826</u>	<u>\$ 1,220,787</u>

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to the administration of May Sands Montessori School, Inc. at 1400 United Street, Key West, FL 33040.

May Sands Montessori School, Inc.
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 547,203
Accounts receivable, net	2,278
Due from other agencies	2,758
Prepaid expenses and other current assets	<u>2,989</u>
Total Current Assets	555,228
Capital assets, net:	
Capital assets, depreciable	317,360
Less: accumulated depreciation	(205,543)
Right-of-use lease asset	479,047
Less: accumulated amortization	<u>(199,604)</u>
Total Capital Assets, net	<u>391,260</u>
Total Assets	<u>946,488</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	14,536
Lease liability, current	<u>39,020</u>
Total Current Liabilities	<u>53,556</u>
Lease liability	<u>260,345</u>
Total Liabilities	313,901
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net investment in capital assets	91,895
Unrestricted	<u>540,692</u>
Total Net Position	<u>\$ 632,587</u>

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

May Sands Montessori School, Inc.
Statement of Activities
For the year ended June 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 841,184	\$ 15,149	\$ 22,582	\$ -	\$ (803,453)
Student support services	12,505	-	-	-	(12,505)
Instructional and curriculum development services	7,179	-	-	-	(7,179)
Instructional staff training	6,236	-	-	-	(6,236)
Board	19,901	-	-	-	(19,901)
School administration	236,270	-	-	-	(236,270)
Facilities acquisition	687	-	-	-	(687)
Fiscal services	10,929	-	-	-	(10,929)
Central services	5,467	-	-	-	(5,467)
Student transportation services	3,631	-	-	-	(3,631)
Operation of plant	105,035	-	-	27,546	(77,489)
Maintenance of plant	551	-	-	-	(551)
Administrative technology services	826	-	-	-	(826)
Community services	21,813	90,204	-	-	68,391
Debt service	9,599	-	-	-	(9,599)
Total governmental activities	\$ 1,281,813	\$ 105,353	\$ 22,582	\$ 27,546	\$ (1,126,332)
General revenues:					
State and local sources					1,183,784
Other revenues					34,093
Change in net position					91,545
Net position, beginning					541,042
Net position, ending					\$ 632,587

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

May Sands Montessori School, Inc.
 Balance Sheet - Governmental Funds
 June 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
<u>Assets</u>			
Cash	\$ 491,795	\$ 55,408	\$ 547,203
Due from other agencies	2,278	2,758	5,036
Due from fund	2,758	-	2,758
Prepaid expenses and other current assets	2,989	-	2,989
Total Assets	499,820	58,166	557,986
<u>Deferred Outflows of Resources</u>			
	-	-	-
<u>Liabilities</u>			
Accounts payable and accrued liabilities	14,536	-	14,536
Due to fund	-	2,758	2,758
Total Liabilities	14,536	2,758	17,294
<u>Deferred Inflows of Resources</u>			
	-	-	-
<u>Fund balance</u>			
Nonspendable, not in spendable form	2,989	-	2,989
Assigned	-	55,408	55,408
Unassigned	482,295	-	482,295
	485,284	55,408	540,692
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 499,820	\$ 58,166	\$ 557,986

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

May Sands Montessori School, Inc.

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

June 30, 2025

Total Fund Balance - Governmental Funds \$ 540,692

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

Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	317,360	
Accumulated depreciation	(205,543)	
Right-of-use lease asset	479,047	
Less: accumulated amortization	<u>(199,604)</u>	
		391,260

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long term, are reported in the governmental wide statements. (299,365)

Total Net Position - Governmental Activities \$ 632,587

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

May Sands Montessori School, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Funds	Total Governmental Funds
Revenues:				
State passed through local	\$ 960,787	\$ -	\$ -	\$ 960,787
Local sources	222,997	-	27,546	250,543
Federal sources	-	22,582	-	22,582
Charges for services and other revenues	88,582	50,864	-	139,446
Total Revenues	1,272,366	73,446	27,546	1,373,358
Expenditures:				
Current				
Instruction	818,602	22,582	-	841,184
Student support services	12,505	-	-	12,505
Instructional and curriculum development services	7,179	-	-	7,179
Instructional staff training	6,236	-	-	6,236
Board	19,901	-	-	19,901
School administration	236,270	-	-	236,270
Facilities acquisition	687	-	-	687
Fiscal services	10,929	-	-	10,929
Central services	5,467	-	-	5,467
Student transportation services	3,631	-	-	3,631
Operation of plant	53,608	-	-	53,608
Maintenance of plant	551	-	-	551
Administrative technology services	826	-	-	826
Community services	8,995	12,818	-	21,813
Debt Service:				
Repayment of principal	10,322	-	27,546	37,868
Interest	9,599	-	-	9,599
Total Expenditures	1,205,308	35,400	27,546	1,268,254
Excess (deficit) of revenues over expenditures	67,058	38,046	-	105,104
Other financing sources (uses)				
Transfers in (out)	28,540	(28,540)	-	-
Net change in fund balance	95,598	9,506	-	105,104
Fund Balance at beginning of year	389,686	45,902	-	435,588
Fund Balance at end of year	\$ 485,284	\$ 55,408	\$ -	\$ 540,692

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

May Sands Montessori School, Inc.
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
 of Governmental Funds to the Statement of Activities
 For the year ended June 30, 2025

Net Change in Fund Balance - Governmental Funds \$ 105,104

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 cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current year, these amounts are:

Depreciation and amortization expense	(51,427)	(51,427)
---------------------------------------	----------	----------

Additions in long term liabilities provide current financial resources to governmental funds, but increases long term liabilities in the statement of net position. Reductions in long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current period, these amounts are:

Decreases in long term liabilities	37,868	37,868
------------------------------------	--------	--------

Change in Net Position of Governmental Activities	\$ 91,545
---	-----------

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

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

May Sands Montessori School, Inc. (the "School"), is a charter school sponsored by the Monroe County District School Board (the "District"). The School is considered a component unit of such District. The School is organized as a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors, which is composed of eight members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Monroe County, Florida. The current charter expires on June 30, 2031. At the end of the term of the charter, the District may choose not to renew the charter under the reasons specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

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 Government Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 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 with the reporting entity of the School.

The School is located in Key West, Florida and is approved for students in kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2025, when approximately 82 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. All of the School's activities are classified as governmental activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 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.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other state and local sources.

Fund Financial Statements

Fund financial statements are provided for governmental. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The School reports the following governmental fund:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenues, such as federal funding and that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

Capital Projects Funds – accounts for state and other local capital funding as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 *Accounting and Financial Reporting for Non-Exchange Transactions*.

On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay current liabilities. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using 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). Revisions to the annual budget are approved by the Board.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Unearned Revenue

Unearned revenue arises when the School receives resources before it has a legal claim to them.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The School maintains its cash accounts with one financial institutions. The School’s accounts at these institutions, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk (Note 2).

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School. No allowance for uncollectible accounts is deemed necessary.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital and Right of Use Assets

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right to use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for capital assets are as follows:

Right-of- use asset (building)	15 Years
Improvements	15-20 Years
Furniture, Fixtures and Equipment	5-15 Years

Within the governmental funds amounts incurred for the acquisition of capita assets are reported as fund expenditures. Depreciation and amortization expense is not reported within the governmental fund financial statements.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The School grants a specific number of paid time off. Full time salary employees and full-time hourly employees are entitled to paid leave annually. In the event that available time is not used by the end of the benefit year, employees will not be able to “rollover” unused days for use in future years. There is no termination payment for accumulated unused days. Accordingly, these financial statements do not include an accrual for compensated absences to be used in future benefits years.

The School also provides certain days to be used for specific personal matters such as family leave or death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

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, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (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. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District. In addition, the School may receive a portion of the local ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

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. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and amortization and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. There is no restricted net position balance at year end.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "Net investment in capital assets".

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement 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 properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year-end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances held at year end pertain to the School's internal account.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Income Taxes

May Sands Montessori School, Inc., qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted

Effective July 1, 2024 the School adopted GASB 101, *Compensating Absences*. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The adoption had no material effect on the School's 2025 financial statements

Effective July 1, 2024, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

Pronouncements Issued But Not Yet Effective

The GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of these Statements are effective for reporting periods beginning after June 15, 2025. The School is currently evaluating the effect that implementation of the new standards will have on its financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through October 20, 2025, which is the date the financial statements were available to be issued.

Note 2 – Deposits

Deposits

The School maintains its cash balances in one financial institution. As of June 30, 2025, the School's deposit cash on hand totaled \$547,203 with a bank balance of approximately \$560,000.

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 2 – Deposits (continued)

Subject to certain exemptions, State statutes require, and it is the School’s policy, that certain deposits be made into, and be held by, financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The school’s deposits are held in qualified public depository. They are covered by the collateral pool, as the School has identified itself as a public entity at June 30, 2025.

Note 3 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2025:

	Balance 07/01/24	Additions	Retirements	Balance 06/30/25
Capital Assets, depreciable:				
Improvements	\$ 204,017	\$ -	\$ -	\$ 204,017
Furniture, fixtures and equipment	113,343	-	-	113,343
Total Capital Assets	<u>\$ 317,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,360</u>
Less Accumulated Depreciation:				
Improvements	\$ (104,926)	\$ (5,383)	\$ -	\$ (110,309)
Furniture, fixtures and equipment	(89,111)	(6,123)	-	(95,234)
Total Accumulated Depreciation	<u>(194,037)</u>	<u>(11,506)</u>	<u>-</u>	<u>(205,543)</u>
Total Capital Assets, net	<u>\$ 123,323</u>	<u>\$ (11,506)</u>	<u>\$ -</u>	<u>\$ 111,817</u>
Lease Assets:				
Right of use lease asset (building)	\$ 479,047	\$ -	\$ -	\$ 479,047
Less accumulated amortization:	<u>(159,683)</u>	<u>(39,921)</u>	<u>-</u>	<u>(199,604)</u>
Total Lease Assets being amortized, net	<u>319,364</u>	<u>(39,921)</u>	<u>-</u>	<u>279,443</u>
Governmental Activities Capital Assets, net	<u>\$ 442,687</u>	<u>\$ (51,427)</u>	<u>\$ -</u>	<u>\$ 391,260</u>

For the fiscal year ended June 30, 2025, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Operation of plant	\$ 11,506	\$ 39,921
Total Expense	<u>\$ 11,506</u>	<u>\$ 39,921</u>

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 4 – Long-Term Liabilities

Effective July 1, 2017, the School entered a non-cancelable into a 15-year operating lease agreement for the rental of school facilities with The School Board of Monroe County, which expires on June 30, 2032.

At the time of the initial measurement the School has used an average effective interest for several borrowings during fiscal year 2021 and 2022. The average borrowing rate was 3% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability.

For the year ended June 30, 2025, interest expense totaled \$9,599 as it relates to its lease agreement. For 2025, there were \$12,250 of variable payments in connection with the lease agreement.

Annual requirements to amortize the school facilities lease liability and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 39,020	\$ 8,447	\$ 47,467	
2027	40,207	7,260	47,467	
2028	41,430	6,037	47,467	
2029	42,690	4,777	47,467	
2030	43,988	3,479	47,467	
2031-2032	92,030	2,903	94,933	(Total for a two year period)
	<u>\$ 299,365</u>	<u>\$32,903</u>	<u>\$ 332,268</u>	

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2025</u>
Lease - building	\$ 337,233	\$ -	\$ (37,868)	\$ 299,365
	<u>\$ 337,233</u>	<u>\$ -</u>	<u>\$ (37,868)</u>	<u>\$ 299,365</u>

Note 5 - Inter-fund Transfers

Inter-fund transfers between governmental funds as of June 30, 2025 consist of the following:

	<u>General Fund</u>	<u>Special</u> <u>Revenue Funds</u>
Reimbursement to general fund for internal account expenditures	\$ 28,540	\$ (28,540)
Total Transfers, net	<u>\$ 28,540</u>	<u>\$ (28,540)</u>
Due to General Fund from Special Revenue Fund for federal expenditures	\$ 2,758	\$ (2,758)
Total Due from/(Due to)	<u>\$ 2,758</u>	<u>\$ (2,758)</u>

May Sands Montessori School, Inc.

Notes to Financial Statements

June 30, 2025

Note 6 – Concentrations

Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits.

On November 5, 2024, the voters of Monroe County voted to renew the half-mill and the half cent school capital outlay surtax. Monroe County School District shares a portion with charter schools. The current renewal is set to expire on December 31, 2035. For the year ended June 30, 2025, the School's total half-mill and half cent revenues were approximately \$223,000 or 16% of total revenues.

It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% (depending on the School's performance) of the qualifying revenues of the School. For the year ended June 30, 2025, administrative fees withheld by the School District totaled \$23,049.

The School entered into a food services agreement with the School District of Monroe County ("Sponsor") to provide a lunch program for its students. Revenues and expenses related to this program are recorded in the Sponsor's books and not reflected in the School's financial statements.

Note 7 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

Note 8 - Defined Contribution Plan

The School has elected to participate in a Empower Retirement, LLC (the "Plan") to provide retirement savings for its employees. Employees may contribute a percentage of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The School will match up to 3% of the employee's.

The School contributed \$2,679 to the Plan for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

REQUIRED SUPPLEMENTARY INFORMATION

May Sands Montessori School, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2025

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 876,248	\$ 876,248	\$ 960,787
Local sources	227,059	227,059	222,997
Charges for services and other revenue	191,983	191,983	88,582
Total Revenues	<u>1,295,290</u>	<u>1,295,290</u>	<u>1,272,366</u>
EXPENDITURES			
Current:			
Instruction	876,261	876,261	818,602
Student support services	12,500	12,500	12,505
Instructional and curriculum development services	7,201	7,201	7,179
Instructional staff training	10,600	10,600	6,236
Board	19,800	19,800	19,901
School administration	233,480	233,480	236,270
Facilities acquisition	59,717	59,717	687
Fiscal services	28,516	28,516	10,929
Central services	5,000	5,000	5,467
Student transportation services	2,000	2,000	3,631
Operation of plant	38,815	38,815	53,608
Maintenance of plant	400	400	551
Administrative technology services	-	-	826
Community services	1,000	1,000	8,995
Total Current Expenditures	<u>1,295,290</u>	<u>1,295,290</u>	<u>1,185,387</u>
Excess (Deficit) of Revenues Over Current Expenditures	<u>-</u>	<u>-</u>	<u>86,979</u>
Debt Service:			
Redemption of Principal	-	-	10,322
Interest	-	-	9,599
Total Capital Outlay and Total Expenditures	<u>1,295,290</u>	<u>1,295,290</u>	<u>1,205,308</u>
Excess of Revenues Over Expenditures	-	-	67,058
Other financing sources (uses):			
Transfers in (out)	-	-	28,540
Net change in fund balance	<u>-</u>	<u>-</u>	<u>95,598</u>
Fund Balance at beginning of year	<u>389,686</u>	<u>389,686</u>	<u>389,686</u>
Fund Balance at end of year	<u>\$ 389,686</u>	<u>\$ 389,686</u>	<u>\$ 485,284</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

May Sands Montessori School, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2025

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ -	\$ -	\$ 22,582
Charges for services and other revenue	72,950	72,950	50,864
Total Revenues	72,950	72,950	73,446
EXPENDITURES			
Current:			
Instruction	-	-	22,582
Community services	-	-	12,818
Total Current Expenditures	-	-	35,400
Excess (Deficit) of Revenues Over Current Expenditures	72,950	72,950	38,046
Other Capital Outlay	-	-	-
Total Expenditures	-	-	35,400
Excess (Deficit) of Revenues Over Expenditures	72,950	72,950	38,046
Other financing sources (uses)			
Transfers in (out)	-	-	(28,540)
Net change in fund balance	72,950	72,950	9,506
Fund Balance at beginning of year	45,902	45,902	45,902
Fund Balance at end of year	\$ 118,852	\$ 118,852	\$ 55,408

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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

To the Board of Directors of
May Sands Montessori School, Inc.
Key West, 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 and each major fund of May Sands Montessori School, 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 October 20, 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 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 a 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 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 been identified.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

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*.

We issued a separate management letter dated October 20, 2025 pursuant to Chapter 10.850, Rules of the Auditor General.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 20, 2025



MANAGEMENT LETTER

To the Board of Directors of
May Sands Montessori School, Inc.
Key West, Florida

Report on the Financial Statements

We have audited the financial statements of May Sands Montessori School, Inc., Key West, Florida, as of and for the fiscal year ended June 30, 2025 and have issued our report thereon dated October 20, 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 Auditors' 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 schedules, which are dated October 20, 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 made in the preceding financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 is May Sands Montessori School, Inc. WL#44-0351.

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 May Sands Montessori School, Inc., has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

In connection with our audit, we determined that May Sands Montessori School, Inc., did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for May Sands Montessori School, Inc. It is management's responsibility to monitor May Sands Montessori School, Inc.'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.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation 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 May Sands Montessori School, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that May Sands Montessori School, Inc. 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 do not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, fraud, waste or abuse, that has occurred, or are likely to have occurred, that has 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, District School Board of Monroe County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 20, 2025