South Broward Montessori Charter School Corp.
A Charter School and Component Unit of the
District School Board of Broward County, Florida

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended June 30, 2026

SOUTH BROWARD MONTESSORI CHARTER SCHOOL CORP.

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GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of South Broward Montessori Charter School Corp.
A Charter School and Component Unit of the
District School Board of Broward County, Florida
Hallandale Beach, Florida

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of South Broward Montessori Charter School Corp ("the School"), a charter school and component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the South Broward Montessori Charter School Corp's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 4–9 and 26-27 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.



Boca Raton, FL
September 29, 2026

SOUTH BROWARD MONTESSORI CHARTER SCHOOL CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Our discussion and analysis of the South Broward Montessori Charter School Corp's ("the school") financial program provides an overview of the school's financial activities for the year ended June 30, 2026.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the school's financial statements which begin on page 10.

For financial statement purposes, the school is considered a component unit of the District School Board of Broward County, Florida, which is a primary government entity for financial reporting. The school has included separate statements for the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Fund Financial Statements reflect financing activities of the school by providing information on inflows and outflows of spendable resources, while the Statement of Net Position and the Statement of Activities provide information on the activities of the school.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the school's financial position. Included in these statements are all assets and liabilities using the accrual method of accounting. All of the current year's revenues and expenses are recorded when received.

The Statement of Net Position presents information on all of the school's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the school is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund 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.

Governmental Funds - All of the school's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school's governmental activities and the basic services it provides.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Notes to the 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 16-26 of this report.

Other Reports

This report also includes the Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities.*

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the school's financial position. The school's assets exceeded liabilities by $394,407 and $582,829 at June 30, 2026 and June 30, 2025, respectively. The decrease in net position is the result of a reduction in students which resulted in an overall reduction in revenue without a reduction in expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

NET POSITION

Assets	2026	2025	Variance
Cash	$ 76,335	$ 55,361	$ 20,974
Investments	167,803	162,838	4,965
Accounts receivable, net	21,367	19,990	1,377
Due from other agencies	174,397	329,164	(154,767)
Inventory	71,505	71,505	-
Prepaid expenses	39,952	39,852	100
Capital assets, net	582,780	863,620	(280,840)
Total assets	$ 1,134,139	$ 1,542,330	$ (408,191)
Liabilities and Net Position			
Accounts payable	$ 33,309	$ 20,928	12,381
Accrued salaries and payroll deductions	137,974	116,386	21,588
Lease obligations	568,449	822,187	(253,738)
Total liabilities	739,732	959,501	(219,769)
Investment in capital assets, net	14,331	41,433	(27,102)
Unresticted	380,076	541,396	(161,320)
Restricted	-	-	-
Total net position	394,407	582,829	(188,422)
Total liabilities and net position	$ 1,134,139	$ 1,542,330	$ (408,191)

Net capital assets of the School decreased from the prior year due to depreciation of its fixed assets and amortization of its operating leases for equipment and facilities. The decrease in noncurrent liabilities stems from the annual lease payments for the building and equipment. In 2023, the School recorded $466,650 as due from agencies and deferred revenue. This amount represents referendum back tax dollars that were owed to the School from 2019 – 2023. The $466,650 was paid to the School in 2024 – 2026, and in 2024, the School took the position to recognize all the revenue as the performance obligation was complete.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and 2025 follows:

Revenues	2026	2025	Variance
State passed through local school	$ 1,424,461	$ 2,011,007	$ (586,546)
Federal passed through local schoools	171,619	166,593	5,026
Local revenue from property and sales tax	317,424	268,117	49,307
Interest income	-	-	0
Other revenue	84,675	85,348	(673)
Total revenue	1,998,179	2,531,065	(532,886)
Expenses			
Basic instruction	1,013,709	1,065,289	(51,580)
Student support services	-	4,768	(4,768)
Instruction and curriculum dev srvs	-	2,567	(2,567)
Instructional staff training	1,514	-	1,514
Board	31,641	25,066	6,575
School administration	413,051	413,675	(624)
Facilities acquisition and construction	8,051	7,690	361
Fiscal services	8,244	11,960	(3,716)
Food services	102,251	88,629	13,622
Operation of plant	388,760	416,811	(28,051)
Maintenance of plant	150,029	180,168	(30,139)
Debt service	69,351	85,618	(16,267)
Total expenses	2,186,601	2,302,241	(115,640)
Change in net position	$ (188,422)	$ 228,824	$ (417,246)

Revenues for governmental activities totaled $1,998,179 and $2,531,065 for the years ended June 30, 2026 and 2025 respectively. The main source of revenue was from the Florida Education Finance Program ("FEFP") and it represented approximately 66% and 55% of total revenue for the years ended June 30, 2026 and 2025, respectively. The decrease in state revenue in the current year is related to the referendum funding recognized in the prior fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The decrease in the instruction function is related to a reduction in Montessori materials purchased. The decrease in operation and maintenance of plant is related to a reduction in overhead costs during the current year.

FUND FINANCIAL ANALYSIS

Key highlights for the fiscal years ended June 30, 2026 and 2025 are as follows:

	2026	2025	Variance
Revenue	$ 1,998,179	$ 2,531,065	$ (532,886)
Lease liability for building and copier	-	161,039	(161,039)
Expenditures	(2,159,499)	(2,458,617)	299,118
Change in fund balance	(161,320)	$ 233,487	(394,807)
Fund balance, beginning of year	541,396	307,909	233,487
Fund balance, end of year	$ 380,076	$ 541,396	$ (161,320)

CURRENT YEAR VS PRIOR YEAR RESULTS

Total revenue was $1,998,179 and $2,531,065 for the years ended June 30, 2026 and 2025, respectively. The decrease in revenue was primarily the result of the referendum money recognized as revenue in the prior fiscal year. Total expenses were $2,159,499 and $2,458,617 for the years ended June 30, 2026 and 2025, respectively.

The approximate $300,000 decrease in expenses is primarily attributable to the a decrease in plant operation as the modular classroom and equipment leases were recorded in the prior fiscal year as an expense on a fund basis.

INVESTMENTS

The School has a certificate of deposit that it pledged as collateral towards a line of credit. The certificate of deposit was $167,803 and $162,828 at June 30, 2026 and 2025, respectively.

CAPITAL ASSETS AND RIGHT-OF-USE ASSETS

The School's net investment in capital and right-of-use assets, as of June 30, 2026 and 2025, was $582,780 and $863,620, respectively. This investment in capital assets includes leases for premises, a modular classroom, equipment and leasehold improvements.

PROSPECTS FOR THE FUTURE

The School is also looking for ways to generate additional revenue and is exploring the idea of a major fundraising event for the upcoming year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the South Broward Montessori Charter School Corp's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to South Broward Montessori Charter School Corp, 520 N.W. 5th Street, Hallandale Beach, Florida 33009.

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

STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash	$ 76,335
Short term CD	167,803
Inventory	71,505
Prepaid expenses	3,838
Deposits	36,114
Accounts receivable	21,367
Due from other agencies	174,397
Capital assets, net	582,780
Total assets	$ 1,134,139
LIABILITES AND NET POSITION	
CURRENT LIABILITES	
Accounts payable and accrued expenses	$ 33,309
Revolving line of credit	137,974
Total current liabilities	171,283
NON-CURRENT LIABILITIES	
Portion due within one year	
Notes payable	-
Lease obligatons	266,071
Portion due after one year	
Notes payable	-
Lease obligatons	302,378
Total non-current liabilities	568,449
Total liabilities	739,732
NET POSITION	
Investment in Capital Assets	14,331
Unrestricted	380,076
Total net position	394,407
Total liabilities, deferred inflows and net position	$ 1,134,139

The accompanying notes are an integral part of these basic financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities					
Instruction	$ 1,013,709	$ -	$ 73,591	$ -	$ (940,118)
Student support services	-		-		-
Instruction and curriculum development services	-	-	-	-	-
Instructional staff training	1,514	-	-	-	(1,514)
Board expenses	31,641	-	-	-	(31,641)
School administration	413,051	-	-	-	(413,051)
Fiscal services	8,244	-	-	-	(8,244)
Facilities acquisition	8,051	-	-	-	(8,051)
Food services	102,251	5,371	98,028	-	1,148
Pupil transportation	-	-	-	-	-
Operation of plant	388,760	-	-	111,927	(276,833)
Maintenance of plant	150,029	-	-	-	(150,029)
Community services	-	7,633	-	-	7,633
Debt service	69,351	-	-	-	(69,351)
Total governmental activities	$ 2,186,601	$ 13,004	$ 171,619	$ 111,927	(1,890,051)
General Revenues					
Taxes:					
Property taxes, levied for capital projects					88,108
Local sales taxes					229,316
Grants and contributions not restricted to specific programs					1,312,534
Investment earnings					-
Miscellaneous revenues					71,671
Total General Revenues					1,701,629
Change in net position					(188,422)
Net position July 1, 2025					582,829
Net position June 30, 2026					$ 394,407

The accompanying notes are an integral part of these basic financial statements.

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

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash	$ 76,335	$ -	$ 76,335
Short term CD	167,803	-	167,803
Inventory	71,505	-	71,505
Prepaid expenses	3,838	-	3,838
Deposits	36,114	-	36,114
Due from funds	11,927	-	11,927
Due from other agencies	174,397	-	174,397
Accounts receivable	9,440	11,927	21,367
Total Assets	$ 551,359	$ 11,927	$ 563,286
LIABILITES			
Accounts payable and accrued expenses	$ 33,309	$ -	$ 33,309
Revolving line of credit	137,974	-	137,974
Due to funds	-	11,927	11,927
Total Liabilities	171,283	11,927	183,210
FUND BALANCES			
Nonspendable	279,260	-	279,260
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	100,816	-	100,816
Total Fund Balances	380,076	-	380,076
Total Liabilities and Fund Balances	$ 551,359	$ 11,927	$ 563,286

The accompanying notes are an integral part of these basic financial statements.

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Fund Balance - Governmental Funds		$ 380,076
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	$ 1,516,012	
Less accumulated depreciation and amortization	(933,232)	
		582,780
Debt proceeds and accrued interest are reported as financing sources in the general fund and thus contribute to the change in fund balance. In the Statement of Net Assets, however, issuing note payables increases long-term liabilities and does not affect the Statement of Activities.		(568,449)
Net Position of Governmental Activites		$ 394,407

The accompanying notes are an integral part of these basic financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Total
REVENUES			
Federal passed through local school district	$ -	$ 171,619	$ 171,619
State passed through local school district	1,424,461	-	1,424,461
Property taxes for capital projects	88,108	-	88,108
Local sales taxes	229,316	-	229,316
Interest income	-	-	-
Other revenue	84,675	-	84,675
TOTAL REVENUES	1,826,560	171,619	1,998,179
EXPENDITURES/EXPENSES			
Instruction	916,770	73,591	990,361
Student support services	-	-	-
Instruction and curriculum development services	-	-	-
Instructional staff training	1,514	-	1,514
Board expenses	31,641	-	31,641
School administration	407,599	-	407,599
Facilities acquisition	-	-	-
Fiscal services	8,244	-	8,244
Food services	4,223	98,028	102,251
Pupil transportation	-	-	-
Operation of plant	144,770	-	144,770
Maintenance of plant	150,029	-	150,029
Debt service			
Principal	253,739	-	253,739
Interest	69,351	-	69,351
Total expenditures	1,987,880	171,619	2,159,499
Excess (Deficiency) of Revenues over Expenses	(161,320)	-	(161,320)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	(161,320)	-	(161,320)
Fund balances, July 1, 2025	541,396	-	541,396
Fund balances, June 30, 2026	$ 380,076	$ -	$ 380,076

The accompanying notes are an integral part of these basic financial statements.

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2026

Net change in fund balances - governmental funds		$ (161,320)
Amounts reported for governmental actvities in the statement of net position are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	-	
Less current year depreciation and amortization	(280,841)	(280,841)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amount are deferred and amortized on the statement of activities.		
Increase in lease liabilities	-	
Less current year lease and debt payments	253,739	253,739
Change in Net Position of Governmental Activities		$ (188,422)

The accompanying notes are an integral part of these basic financial statements.

SOUTH BROWARD MONTESSORI CHARTER SCHOOL CORP.
A CHARTER SCHOOL AND COMPONENT UNIT
OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

South Broward Montessori Charter School Corp ("the School") operates as a Charter School pursuant to a Charter School Contract ("the Contract") with the School District of Broward County, Florida ("the District"). Under the Contract, the School provides an elementary school education to children who reside in Broward County. The governing body of the School is the Board of Directors.

The general operating authority of the School is under Florida Statutes 228.056(7) as a Charter School Contract with the School Board of Broward County, Florida. Under the Charter, the School provides education to children from kindergarten through the fifth grade in Broward County. The Charter Contract was renewed and is now effective through June 30, 2028.

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 provide 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. The School is a component unit of the District.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are subdivided into three categories: amounts invested in capital assets, restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-Wide and Fund Financial Statements (continued)

Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash.

- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the school's highest level of decision-making authority. Commitments may be changed or lifted only by the school taking the same formal action that imposed the constraint originally.

- Assigned fund balance - comprises amounts intended to be used by the school for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- Unassigned fund balance - the residual classification for the general fund which includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-Wide and Fund Financial Statements (continued)

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All the School's funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. 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 recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The school reports the following major governmental funds:

General Fund – the general operating fund of the school. It is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The School has a revenue spending policy that provides for programs with multiple revenue sources. The board of directors will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds and funds passed through the District. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The board of directors has the authority to deviate from this policy if it is in the best interest of the School.

4. Budgetary Basis of Accounting

The School's annual budgets are adopted for the entire operations for the School and may be amended by the Board of Directors (the "Board"). Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis.

A reconciliation of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

5. Cash

Cash is made up of cash on hand at the School and/or checking accounts held at a financial institution.

6. Capital Assets

Capital assets, which include property, plant and equipment and right-to-use leased assets, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than $1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. For the year ended June 30, 2026, the school recorded net capital assets of $582,780.

Property, plant and equipment of the school are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Estimated Useful Lives
Computer equipment	5
Furniture and fixtures	7
Leasehold improvements	5 - 10
Right-to-use leased asset	3 - 5

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

7. Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the School pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP).

Funding for the School is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

The School also receives local property tax collections distributed through the local school district based on statutory funding formulas or millage allocations. Property taxes are recognized as revenue in the fiscal year for which the taxes are levied and budgeted, provided they are measurable and available.

In addition, the School receives allocations from local discretionary surtaxes or county-wide infrastructure/educational sales taxes. Sales tax revenues are generated by local commercial transactions and remitted to the School through the School District of Broward County. These revenues are recognized in the accounting period in which the underlying sales transactions occur and the revenues are collectible. When the sales tax allocation is not fully received by June 30 each year, an accrual is recorded for the remaining amount owed to the School.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. Income Taxes

The School is a non-profit organization and is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The School's federal income tax returns for 2024-2026 remain subject to examination by major tax jurisdictions.

10. Inventory

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Inventory consists of textbooks and other Montessori supplies held for use in the course of the School's operations. Inventory is stated at cost, principally on a first-in first-out basis.

11. Leases

The Center follows GASB issued Statement on the Governmental Accounting Standards Board (GASB) No. 87 – *Leases*. This statement requires the recognition of certain lease assets and liabilities for leases. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See Notes C and D for additional information about the School's leases.

12. Recent accounting pronouncement

For the fiscal year ended June 30, 2026, the School implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement updates the financial reporting model framework to enhance the decision-making usefulness and accountability of the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The primary impacts of adopting GASB 103 on the Center's financial statements include:

Management's Discussion and Analysis (MD&A): The structure has been condensed to focus specifically on five objective sections with enhanced requirements for explaining the *why* behind year-over-year operational variances.

Budgetary Comparison Reporting: Budgetary comparison schedules have been moved entirely into the Required Supplementary Information (RSI) section. The schedules now present a variance column comparing the original budget to the final budget, and the final budget to actual expenditures, labeled as "over (under)".

Capital Asset Disclosures: Footnote disclosures for capital assets have been modified to isolate and separately track lease assets, subscription-based information technology arrangements (SBITAs), and capital assets held for sale.

NOTE B - CONCENTRATIONS

1. Revenue Sources

As stated in Note A-7, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts for the fiscal year ended June 30, 2026:

Sources	Amounts
Federal grants through local district	$ 171,619
State funding through local district	1,424,461
Local revenue – property and sales tax	317,424
Investment earnings	-
Donations, aftercare and other revenue	84,675
	$1,998,179

2. Cash

Under Chapter 280, Florida Statutes, the School's deposits must be placed in banks and savings and loans which are qualified as public depositories. The School maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool. As of June 30, 2026, there were no uninsured deposit balances.

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026 was as follows:

	Balance at June 30, 2025	Additions	Adjustments and Deletions	Balance at June 30, 2026
Capital assets depreciated and amortized:				
Computer equipment	$ 84,937	$ -	$ -	$ 84.937
Furniture and fixtures	153,403	-	-	153,403
Leasehold improvements	67,516	-	-	67,516
Right-to-use lease assets	1,210,156	-	-	1,210,156
Total assets depreciated and amortized	$1,516,012	$ -	$ -	$ 1,516,012
Less accumulated depreciation and amortization				
Computer equipment	$ 44,823	$ 9,119	$ -	$ 53,943
Furniture and fixtures	78,521	8,051	-	86,572
Leasehold improvements	52,081	3,658	-	55,739
Right-to-use leased assets	476,967	260,011	-	736,978
Total accumulated depreciation and amortization	$ 652,392	$ 280,840	$ -	$ 933,232
Total governmental activities Capital assets, net				$ 582,780

Depreciation expense of $20,829 was charged to the instruction ($9,119), facilities and acquisition ($8,051) and operation of plant ($3,658) functions and amortization expense of $260,011 was charged to operation of plant ($240,332), instruction ($14,227) and administration ($5,452) functions for the year ended June 30, 2026.

NOTE D – DUE FROM AGENCIES

On March 7, 2024, the Florida Department of Education sent a letter to the District notifying them that they did not share certain revenues with charter schools that were result of a discretionary tax collected between 2019 – 2023. During the year ended June 30, 2024, the School settled with the District and neither party admitted any wrongdoing. The settlement agreement was for $466,650, and the School received 2 out of the 3 payments. The remaining amount owed to the School was recorded to the due from agencies, and the remaining revenue was recognized for the year ended June 30, 2025.

NOTE E – REVOLVING DEMAND LOAN

On May 8, 2023, the School entered into a revolving line of credit agreement with TD Bank whereby it may borrow up to $150,000 at the Wall Street Prime interest rate plus 2% (interest rate was 8.75% at June 30, 2026), and the interest rate on the demand loan shall not fall below 7.75%. The School pledged a certificate of deposit for $167,803 as collateral for the demand loan. At June 30, 2026, the balance outstanding on the demand loan was $137,974. Since this is not considered long-term debt, the loan will be recorded as a liability on a fund basis as well.

NOTE F – NON-CURRENT LIABILITIES

The changes in the school's long-term obligations for the year ended June 30, 2026 are as follows:

Lease liability - building

Effective June 15, 2023, the School signed a 5-year lease requiring monthly payments of $19,500 to increase by 5% each year. The School used a 8.5% implicit interest rate to discount the annual lease payments to recognize the intangible right to use this asset, and the lease liability as of June 30, 2026 was $490,579. The School recorded rent payments of $259,060 during the year.

Lease liability – modular

In October 2022, the School entered a lease with a third party for a modular classroom. The lease term was for two years, and the lease was supposed to automatically renew unless either party gave 120 days' notice to terminate the lease. At the time the lease was established, the School opted to record the lease liability based on the initial two-year term as there was no guarantee that the lease would be renewed. The leasing company was purchased, and the new lessor issued a new lease which changed the renewal terms to month-to-month. The School made payments of $30,948 during the year ended June 30, 2026. Management used a 5% implicit interest rate to record the present value of the lease payments at inception.

Lease liability – equipment

In February 2022, the School entered a lease with a third party for a copier machine. The lease term was for 63 months at $428 per month. This lease was bought out by the School's current lessor. During the year ended June 30, 2025, the School entered 3 additional leases for computer equipment and a printer/copier with terms between 60-63 months. During the year ended June 30, 2026, the School made payments on these equipment leases totaling $24,092 Management used an 8.5% implicit interest rate in computing the present value of the lease payments to compute the right-to-use assets.

NOTE F – NON-CURRENT LIABILITIES (continued)

The following table summarizes the School's future debt service as of June 30, 2026:

Year ending June 30:	Building Lease liability Principal	Modular Lease liability Principal	Equipment Lease liability Principal	Total Lease Liability Principal
2027	$ 239,550	$ 7,673	$ 18,848	$ 266,071
2028	251,030	-	20,514	271,544
2029	-	-	22,327	22,327
2030	-	-	8,507	8,507
Total	$ 490,579	$ 7,673	$ 87,514	$ 568,449

NOTE G – COMMITMENTS AND CONTINGENCIES

The School receives most of its funding form the District through the Florida Education Finance Program (FEFP), which is based on the number of full-time equivalent (FTE) students attending the Center. The FTE count is subject to audit and if discrepancies are found, it could result in funds owed to the state or future decreases in funding. If any such errors were found, management has taken the position that any funds to be refunded would not be material to the School's net financial position.

In the normal course of conducting its operations, the School may become party to legal actions and proceedings. Management has determined that the ultimate resolution of such legal matters, if any, will not have a significant effect on the accompanying financial statements.

NOTE H – INVENTORY

The School has recorded its Montessori materials as inventory. These items have been used since the School opened and will continue to be used as they are the foundation for this specific teaching method. Management has determined that the inventory items maintain their value as they will be used in future years and the value on June 30, 2026 was $71,505.

NOTE I – RISK MANAGEMENT

The School is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School purchases commercial insurance for all material risks of loss to which the School is exposed, including general liability, property and workers compensation.

The School did not have any settlements that exceeded insurance coverage for the years ended June 30, 2024 – 2026.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2026, which is the date the financial statements became available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Original Budget	Final Budget	General Fund	Variance: Original to Final Budget Over / (Under)	Variance: Final Budget to Actual Over / (Under)
Revenues					
Federal passed through local school district	$ -	$ -	$ -	$ -	$ -
State passed through local school district	1,861,714	1,861,714	1,424,461	-	437,253
Property taxes for capital projects	-	-	88,108	-	(88,108)
Local sales taxes	-	-	229,316	-	(229,316)
Interest income	-	-	-	-	-
Other revenue	55,500	55,500	84,675	-	(29,175)
Total revenues	1,917,214	1,917,214	1,826,560	-	90,654
Expenses					
Instruction	930,314	930,314	916,770	-	13,544
Student support services	-	-	-	-	-
Instruction and curriculum development services	-	-	-	-	-
Instructional staff training	5,000	5,000	1,514	-	3,486
Board expenses	21,500	21,500	31,641	-	(10,141)
School administration	463,312	463,312	407,599	-	55,713
Facilities and acquisition	60,000	60,000	-	-	60,000
Fiscal services	12,000	12,000	8,244	-	3,756
Food services	-	-	4,223	-	(4,223)
Pupil transportation	-	-	-	-	-
Operation of plant	255,175	255,175	144,770	-	110,405
Maintenance of plant	165,606	165,606	150,029	-	15,577
Community services	-	-	-	-	-
Debt service				-	
Principal	-	-	253,739	-	(253,739)
Interest	8,000	8,000	69,351	-	(61,351)
Total expenses	1,920,907	1,920,907	1,987,880	-	(66,973)
Excess/(Deficit) of revenues over expenditures	(3,693)	(3,693)	(161,320)	-	157,627
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Change in Fund Balance	(3,693)	(3,693)	(161,320)	-	157,627
Fund balances, July 1, 2025	541,396	541,396	541,396	-	-
Fund balances, June 30, 2026	$ 537,703	$ 537,703	$ 380,076	-	$ 157,627

The accompnaying notes are an integral part of these basic financial statements.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Original Budget	Final Budget	Actual	Variance: Original to Final Budget Over / (Under)	Variance: Final Budget to Actual Over / (Under)
Revenues					
Federal passed through local school district	$ 158,000	$ 158,000	$ 171,619	$ -	$ (13,619)
State passed through local school district	-	-	-	-	-
Investment earnings	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	158,000	158,000	171,619	-	(13,619)
Expenses					
Instruction	45,000	45,000	73,591	-	(28,591)
Student support services	-	-	-	-	-
Instruction and curriculum development services	-	-	-	-	-
Board expenses	-	-	-	-	-
School administration	33,000	33,000	-	-	33,000
Fiscal services	-	-	-	-	-
Food services	80,000	80,000	98,028	-	(18,028)
Pupil transportation	-	-	-	-	-
Operation of plant	-	-	-	-	-
Maintenance of plant	-	-	-	-	-
Interest	-	-	-	-	-
Total expenses	158,000	158,000	171,619	-	(13,619)
Revenues over Expenses	-	-	-	-	-
Other Financing Sources					
Lease liability for portable	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Total Change in Fund Balance	-	-	-	-	-
Fund balances, July 1, 2025	-	-	-	-	-
Fund balances, June 30, 2026	$ -	$ -	$ -	$ -	$ -

The accompnaying notes are an integral part of these basic financial statements.

SOUTH BROWARD MONTESSORI CHARTER SCHOOL CORP.
A CHARTER SCHOOL AND COMPONENT UNIT
OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
JUNE 30, 2026

NOTE 1: BASIS OF PRESENTATION

The budget schedule presents the original and final budget on the same basis of accounting used by the School for its financial statements.

NOTE 2: SIGNIFICANT ORIGINAL-TO-FINAL BUDGET VARIATIONS

None. All original budget amounts equal final.

NOTE 3: SIGNIFICANT FINAL BUDGET-TO-ACTUAL VARIATIONS

There is a significant variance in revenues as the School anticipated a much higher student count (approximately 15% more) when the budget was prepared early in the year. This reduction in student count resulted in revenues being lower than budgeted.

The School budgeted $60,000 for facilities and acquisition costs, but incurred none.

The School budgeted for its building lease payments in the operation of plant function, but on a fund basis, these lease payments are reflected as part of debt service. Therefore, there is a variance between the debt service and operation of plant functions. In addition to the building lease payments, the School incurred some additional costs for the building that were not budgeted for.

SOUTH BROWARD MONTESSORI CHARTER SCHOOL CORP.
A CHARTER SCHOOL AND COMPONENT UNIT
OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
JUNE 30, 2026

NOTE 1: BASIS OF PRESENTATION

The budget schedule presents the original and final budget on the same basis of accounting used by the School for its financial statements.

NOTE 2: SIGNIFICANT ORIGINAL-TO-FINAL BUDGET VARIATIONS

None. All original budget amounts equal final.

NOTE 3: SIGNIFICANT FINAL BUDGET-TO-ACTUAL VARIATIONS

There is no significant final budget to actual variations to note.

GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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 Members of South Broward Montessori Charter School Corp.
A Charter School and Component Unit of the
District School Board of Broward County, Florida
Hallandale Beach, 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 South Broward Montessori Charter School Corp., ("the School", a nonprofit organization), a charter school and component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise South Broward Montessori Charter School Corp's basic financial statements and have issued our report thereon dated September 29, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the school's financial statements are free of 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



September 29, 2026
Boca Raton, Florida

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

To the Board of Directors of South Broward Montessori Charter School Corp, Florida,
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 the South Broward Montessori Charter School Corp, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 29, 2026.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 29, 2026, 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 or recommendations made in the preceding annual 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 are South Broward Montessori Charter School Corp and 5717.

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 South Broward Montessori Charter School Corp 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 South Broward Montessori Charter School Corp 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 South Broward Montessori Charter School Corp. It is management's responsibility to monitor the South Broward Montessori Charter School Corp'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 South Broward Montessori Charter School Corp 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 South Broward Montessori Charter School Corp maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has 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 and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2026
Boca Raton, FL