

**THE RICHARDSON MONTESSORI ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**

**BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**JUNE 30, 2015**

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
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**JUNE 30, 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Richardson Montessori Academy, Inc.  
a Charter School and Component Unit of  
the School District of Hillsborough County, Florida  
Tampa, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida (the "Academy") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the 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 Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough

County, Florida, as of June 30, 2015, 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.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 25, 2015 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

### **Other Matters**

#### *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 3–7 and 24–25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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.



Indian Shores, Florida  
September 25, 2015

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

Our discussion and analysis of The Richardson Montessori Academy, Inc., a component unit and charter school of the School District of Hillsborough County, Florida, (the “Academy”) financial program provides an overview of the Academy’s financial and non-financial activities for the year ended June 30, 2015. In addition, the discussion and analysis will also provide the following information:

- How the basic financial statements relate to each other and the significant differences of information they provide.
- A comparative analysis of current and prior year financial information to provide reasons for significant changes that significantly affected current year operations.
- An analysis of fund financial information and a review of significant changes in fund balances.
- An analysis of significant variations between original and final budgeted amounts and actual results of operations.
- A description of currently known facts, decisions, or conditions that are expected to have a significant effect on the Academy’s prospects for the future.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS:**

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Academy’s financial position. Included in these statements are all assets and liabilities using the accrual method of accounting.

The Statement of Net Position presents information on all of the Academy’s assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may be an indicator of improving or deteriorating financial conditions.

The Statement of Activities presents information about the change in net position and results of operations during the most recent fiscal year. All results of operations and 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. The Academy uses fund accounting to demonstrate compliance with finance related legal requirements and

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):**

prudent fiscal management. Fund financial statements provide more detailed information about financial activities focusing on its most significant funds. The Academy's classification of fund balance is designed to clarify the presentation of fund balance, a key indicator of interperiod equity.

**Notes to the Basic Financial Statements**

The notes to the basic 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 13-23 of this report.

**Government-Wide Financial Analysis:**

As noted earlier, net position may over time serve as a useful indicator of the Academy's financial position when the current and prior years are compared.

|                            | Net Position |            |
|----------------------------|--------------|------------|
|                            | 2015         | 2014       |
| Current and other assets   | \$ 67,150    | \$ 33,606  |
| Capital assets             | 293,135      | 316,930    |
| Total assets               | 360,285      | 350,536    |
| Current liabilities        | 29,985       | 37,582     |
| Net position:              |              |            |
| Invested in capital assets | 301,295      | 316,930    |
| Unrestricted               | 29,005       | (3,976)    |
| Total net position         | \$ 330,300   | \$ 312,954 |

The Academy's net position has increased due to an increase in student enrollment and improved adherence to the budget to provide an excess of revenue over expenditures.

Revenues for governmental activities totaled \$381,524 for the year ended June 30, 2015. The main source of revenue was from the Florida Education Finance Program ("FEFP"). FEFP revenue represented approximately 94% of total revenue for the 2015 fiscal year.

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
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**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):**

| <u>Revenue Source</u> | <u>Amount</u>     | <u>Percent<br/>of Total</u> |
|-----------------------|-------------------|-----------------------------|
| State sources         | \$ 360,147        | 94.40%                      |
| Capital grants        | 20,635            | 5.41%                       |
| Fundraising           | 742               | 0.19%                       |
| Other revenue         | -                 | 0.00%                       |
| Total                 | <u>\$ 381,524</u> | <u>100.00%</u>              |

Revenue increased and expenditures decreased during the year. Revenue increases were due to higher student enrollment. The increase in student enrollment was projected in the prior year's discussion and analysis. Expenditure decreases were due to a renegotiated lease agreement and a reduction in professional and administrative staff.

|                                       | <u>Changes in Net Position</u> |                     |
|---------------------------------------|--------------------------------|---------------------|
|                                       | <u>2015</u>                    | <u>2014</u>         |
| Revenues:                             |                                |                     |
| Program Revenues:                     |                                |                     |
| Capital grants and contributions      | \$ 20,635                      | \$ 17,658           |
| General revenues:                     |                                |                     |
| Unrestricted grants and contributions | 360,889                        | 274,918             |
| Total revenues                        | <u>381,524</u>                 | <u>292,576</u>      |
| Program expenses:                     |                                |                     |
| Instruction                           | 141,135                        | 254,377             |
| School administration                 | 15,315                         | 21,926              |
| Operation of plant                    | 128,359                        | 148,924             |
| Other expenses                        | 79,369                         | 83,284              |
| Total expenses                        | <u>364,178</u>                 | <u>508,511</u>      |
| Increase (decrease) in net position   | <u>\$ 17,346</u>               | <u>\$ (215,935)</u> |

**Current Year/Prior Year Analysis:**

**Financial Analysis of Individual Funds**

An analysis of current year to prior year balances and transactions provide reasons for significant changes in fund balances and/or net position and whether any restrictions, commitments, or other factors could affect the availability of resources for future use.

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):**

- State and federal sources of capital outlay increased by \$2,977 from \$17,658 in 2014 to \$20,635 in 2015.
- FEFP revenue increased in 2015 by approximately \$86,057, from \$272,129 in 2014 to \$360,115 in 2015.

**Capital Assets**

- Capital assets' net book value decreased by \$23,795 during the year due to the net effect of \$19,383 depreciation expense, \$8,160 impairment of capital assets, and \$3,748 of acquisitions.
- In fiscal year 2008 the Academy capitalized costs associated with architectural designs associated with the proposed school project located on land owned by the Academy. The Academy continues to postpone the project and incurred an impairment of \$8,160 during fiscal year 2015.
- The Academy made no borrowings during fiscal year 2015.

**Budgetary Highlights in the General Fund**

Actual revenue was \$381,524.

Revenue was over instruction and other expenses by approximately \$41,141.

The General Fund balance at June 30, 2015 was \$37,165, an increase of \$41,141 from June 30, 2014.

**Significant Economic Factors for the Future**

Management anticipates the student census will be approximately twenty-two (22) students for the fiscal year ending June 30, 2016. Management has prepared a budget to reflect a projected full-time equivalent (FTE) student population of twenty-two (22). As a result of the projected FTE, the Academy has projected an operating loss of approximately \$134,000 for fiscal year ending June 30, 2016. Significant factors contributing to the projected loss are a decrease in student enrollment and unavoidable fixed costs.

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**  
**(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2014)**

|  | Governmental<br>Activities | 2014       |
|--|----------------------------|------------|
| <b><u>ASSETS</u></b>                                       |                            |            |
| <b>CURRENT ASSETS:</b>                                     |                            |            |
| Cash   | \$ 40,045                  | \$ 16,699  |
| Receivables  | 2,834                      | 1,231      |
| Due from related entity                                    | 11,108                     | -          |
| Prepaid expenses   | 2,091                      | 3,104      |
| Total current assets                                       | 56,078                     | 21,034     |
| <b>CAPITAL ASSETS, NET OF<br/>ACCUMULATED DEPRECIATION</b> |                            |            |
|  | 293,135                    | 316,930    |
| <b>OTHER ASSETS:</b>                                       |                            |            |
| Deposits   | 11,072                     | 12,572     |
| Total assets   | \$ 360,285                 | \$ 350,536 |
| <b><u>LIABILITIES AND NET POSITION</u></b>                 |                            |            |
| <b>CURRENT LIABILITIES:</b>                                |                            |            |
| Accounts payable   | \$ 26,389                  | \$ 31,354  |
| Payroll and related expenses                               | 1,101                      | 2,039      |
| Due to related parties                                     | 2,450                      | 4,144      |
| Due to School District of Hillsborough County              | 45                         | 45         |
| Total current liabilities                                  | 29,985                     | 37,582     |
| <b>NET POSITION:</b>                                       |                            |            |
| Invested in capital assets                                 | 301,295                    | 316,930    |
| Unrestricted   | 29,005                     | (3,976)    |
| Total net position   | 330,300                    | 312,954    |
| Total liabilities and net position                         | \$ 360,285                 | \$ 350,536 |

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2014)**

| Functions/Programs                 | Expenses          | Program Revenues                         |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Assets | 2014<br>Total     |
|------------------------------------|-------------------|--|--|--|-------------------|
|                                    |                   | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions |  |                   |
| <b>Governmental Activities:</b>    |                   |  |  |  |                   |
| Instruction                        | \$ 141,135        | \$ -                                     | \$ -                                   | \$ (141,135)   | \$ (254,377)      |
| Instruction and staff training     | 586               | -  | -                                      | (586)  | (4,450)           |
| School administration              | 15,315            | -  | -                                      | (15,315)   | (21,926)          |
| School District administration fee | 18,006            | -  | -                                      | (18,006)   | (13,606)          |
| Fiscal services                    | 7,200             | -  | -                                      | (7,200)  | (8,050)           |
| Operation of plant                 | 128,359           | -  | 20,635                                 | (107,724)  | (131,266)         |
| Maintenance of plant               | 31,314            | -  | -                                      | (31,314)   | (33,807)          |
| General support services           | 22,263            | -  | -                                      | (22,263)   | (23,371)          |
| Rent of plant                      | -                 | -  | -                                      | -  | -                 |
| Total governmental activities      | <u>\$ 364,178</u> | <u>\$ -</u>                              | <u>\$ 20,635</u>                       | (343,543)  | (490,853)         |
| <b>General Revenues:</b>           |                   |  |  |  |                   |
|                                    |                   |  |  | 360,147  | 274,090           |
|                                    |                   |  |  | 742  | 828               |
|                                    |                   |  |  | <u>360,889</u>   | <u>274,918</u>    |
|                                    |                   |  |  | 17,346   | (215,935)         |
|                                    |                   |  |  | <u>312,954</u>   | <u>528,889</u>    |
|                                    |                   |  |  | <u>\$ 330,300</u>  | <u>\$ 312,954</u> |

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

|   | <u>General<br/>Fund</u> | <u>Capital<br/>Outlay<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|------------------------------------|---|
| <b><u>ASSETS</u></b>                          |                         |                                    |   |
| Cash  | \$ 40,045               | \$ -                               | \$ 40,045                               |
| Receivables                                   | 2,834                   | -                                  | 2,834                                   |
| Due from related entity                       | 11,108                  | -                                  | 11,108                                  |
| Prepaid expenses                              | 2,091                   | -                                  | 2,091                                   |
| Deposits                                      | 11,072                  | -                                  | 11,072                                  |
| Total assets                                  | <u>\$ 67,150</u>        | <u>\$ -</u>                        | <u>\$ 67,150</u>                        |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>   |                         |                                    |   |
| <b>CURRENT LIABILITIES</b>                    |                         |                                    |   |
| Accounts payable                              | \$ 26,389               | \$ -                               | \$ 26,389                               |
| Payroll and related liabilities               | 1,101                   | -                                  | 1,101                                   |
| Due to related party                          | 2,450                   | -                                  | 2,450                                   |
| Due to School District of Hillsborough County | 45                      | -                                  | 45                                      |
| Total current liabilities                     | <u>29,985</u>           | <u>-</u>                           | <u>29,985</u>                           |
| <b>FUND BALANCES</b>                          |                         |                                    |   |
| Nonspendable                                  |                         |                                    |   |
| Prepays                                       | 2,091                   | -                                  | 2,091                                   |
| Deposits                                      | 11,072                  | -                                  | 11,072                                  |
| Unassigned                                    | 24,002                  | -                                  | 24,002                                  |
| Total fund balances                           | <u>37,165</u>           | <u>-</u>                           | <u>37,165</u>                           |
| Total liabilities and fund balances           | <u>\$ 67,150</u>        | <u>\$ -</u>                        | <u>\$ 67,150</u>                        |

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

|                                    |    |        |
|------------------------------------|----|--------|
| Fund Balances - Governmental Funds | \$ | 37,165 |
|------------------------------------|----|--------|

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

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

|  |  |  |
|--|--|--|
|  |  | 293,135                                  |
|  |  | <hr style="border: 0.5px solid black;"/> |

|  |    |  |
|--|----|--|
| Total net position - Governmental activities | \$ | 330,300                                |
|  |    | <hr style="border: 1px solid black;"/> |

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

|  | General    | Capital<br>Outlay | Total<br>Governmental<br>Funds |
|--|------------|-------------------|--------------------------------|
| <b>REVENUES:</b>                                     |            |                   |                                |
| State and local passed through local school district | \$ 360,147 | \$ 20,635         | \$ 380,782                     |
| Fundraising  | 742        | -                 | 742                            |
| Other  | -          | -                 | -                              |
|  | 360,889    | 20,635            | 381,524                        |
| <b>EXPENDITURES:</b>                                 |            |                   |                                |
| Current:   |            |                   |                                |
| Instruction  | 141,135    | -                 | 141,135                        |
| Instruction and staff training                       | 586        | -                 | 586                            |
| School administration                                | 15,315     | -                 | 15,315                         |
| School District administration fee                   | 18,006     | -                 | 18,006                         |
| Fiscal services                                      | 7,200      | -                 | 7,200                          |
| Operation of plant                                   | 16,840     | 83,976            | 100,816                        |
| Facilities acquisition and construction              | 3,748      | -                 | 3,748                          |
| Maintenance of plant                                 | 31,314     | -                 | 31,314                         |
| General support services                             | 22,263     | -                 | 22,263                         |
|  | 256,407    | 83,976            | 340,383                        |
| Excess (deficiency) of revenues over expenditures    | 104,482    | (63,341)          | 41,141                         |
| Other financing sources (uses):                      |            |                   |                                |
| Transfers in   | -          | 63,341            | 63,341                         |
| Transfers out  | (63,341)   | -                 | (63,341)                       |
|  | (63,341)   | 63,341            | -                              |
| Net change in fund balance                           | 41,141     | -                 | 41,141                         |
| Fund balance - July 1, 2014                          | (3,976)    | -                 | (3,976)                        |
| Fund balance - June 30, 2015                         | \$ 37,165  | \$ -              | \$ 37,165                      |

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
JUNE 30, 2015**

Net Change in Fund Balances - Governmental Funds \$ 41,141

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

Governmental funds report capital outlay 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. The amount by which capital outlay is exceeded by depreciation expense in the current period is (15,635)

The loss on the impairment of capital assets during the current period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the reported loss on the impaired assets. (8,160)

Change in net position of governmental activities \$ 17,346

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

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Richardson Montessori Academy, Inc., a component unit and charter school of the School District of Hillsborough County, Florida (the “Academy”), is a not-for-profit corporation and operates as a Charter School pursuant to a Charter School Contract (the “Contract”) with the School District of Hillsborough County, Florida (the “District”). The Academy is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Under the Contract the Academy provides an elementary school education to children who reside in Hillsborough County. The Academy is governed by a Board of Directors composed of four members.

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The current charter is for a term of five years beginning July 27, 2010. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent between the Academy and the District and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the Academy in writing at least ninety days prior to the charter’s expiration. The Academy contract provides in the event the Academy is dissolved or terminated, any unencumbered funds and all Academy property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

Criteria for determining if other entities are potential component units which should be reported within the Academy’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100 and 2600. The application of these criteria provide for identification of any entities for which the Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements provide information about the Academy’s overall financial condition in a manner similar to a private-sector business. A Statement

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

of Net Position and Statement of Activities report on the accrual basis of accounting using an economic resources measurement focus for governmental activities as the Academy does not engage in any business type activities. The Statement of Net Position provides information about the Academy's financial position, with the difference between assets and liabilities reported as net position. The Statement of Activities presents information about the change in the Academy's net position and the results of its operations during the fiscal year. An increase or decrease in net position is an indication of improving or deteriorating financial health.

**Fund Financial Statements**

The Academy'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 a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives using the current financial resources measurement focus on a modified accrual basis of accounting. The Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. The current financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statement provides a detailed short-term view that may be used to evaluate the Academy's near-term financing requirements. The Academy considers revenues collected within sixty days from year-end to be available for revenue recognition in the governmental and fund financial statements.

The Academy has no Internal Service Fund, Fiduciary Fund, or Debt Service Fund

The Academy utilizes the following major governmental funds:

General Fund – Accounts for all financial activity not required to be accounted for in another fund.

Capital Outlay Fund – Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for a specific purpose and to provide a single source of accountability for monies received.

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

The fund balance reporting model is designed to clarify fund balance reporting into classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. See Note 7 for a detailed presentation of fund balance.

**Budgetary Basis of Accounting**

The Academy’s annual budgets are adopted for the entire operations and presented on the modified accrual basis of accounting and may be amended by the Board of Directors. Since the budgetary basis differs from GAAP, budgetary and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation of expenditures over revenues presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

**Cash**

Cash deposits consist primarily of demand deposits included in pooled cash, held by banks which are qualified as public depositories under Florida law. Deposits on hand at financial institutions are insured by the Federal Depository Insurance Corporation (the “FDIC”) and collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**Capital Assets**

Expenditures for capital assets acquired for Academy purposes are reported in Governmental Funds that financed the acquisition; whereas the acquired capital assets are capitalized (recorded) at cost in the Statement of Net Position. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Academy’s policy is to capitalize all capital assets having a useful life of more than one year.

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

|                                   | Estimated<br>Useful Lives<br>(years) |
|-----------------------------------|--------------------------------------|
| Leasehold improvements            | 4                                    |
| Furniture, fixtures and equipment | 10                                   |
| Computer software                 | 3                                    |
| Library                           | 10                                   |
| Vehicles                          | 5                                    |

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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

Income Taxes

The Academy is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these basic financial statements. The Academy has evaluated its tax position for all open tax years and has not identified any uncertain tax positions and is not subject to any Internal Revenue Service examination prior to year ending June 30, 2012.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented for certain sections of the accompanying basic financial statements to provide an understanding of the changes in the Academy's financial position and operations.

Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Academy pursuant to the funding provisions included in the charter. Under the provisions of Section 1011.62, Florida Statutes (FS) the number of full-time equivalent (FTE) students and related data are reported to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the Academy during designated FTE student survey periods.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for

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**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2, Florida Statutes. For the 2014/2015 school year the school reported 55.00 unweighted FTE. Weighted funding represents approximately 4% of total state funding.

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

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-603411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

Additional revenue sources from fund raising, contributions, and interest are reported in the General Fund.

The Academy, from time to time, also receives federal grant awards for the enhancement of various educational programs. Federal awards are generally received based on an application submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. This activity is recorded in the Special Revenue Fund. In 2015 there were no eligible expenditures or revenues.

The Academy also received state awards for capital outlay expenditures. The state grant awards are based on an application submitted and approved by the state. The amount received under this program is based on the Academy's actual and projected student enrollment during the year. Funds received under this program may only be used for lawful capital outlay expenditures and are accounted for in the Public Education Capital Outlay Fund.

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

Subsequent Events

The Academy has evaluated subsequent events for potential recognition or disclosure through September 25, 2015, which is the date these financial statements were available to be issued.

**NOTE 2 – CAPITAL ASSETS:**

Capital assets activity for the year ended June 30, 2015 is as follows:

|                                       | Balance at<br>July 1,<br>2014 | Additions          | Deletions         | Balance at<br>June 30,<br>2015 |
|---------------------------------------|-------------------------------|--------------------|-------------------|--------------------------------|
| Capital assets not depreciated:       |                               |                    |                   |                                |
| Land                                  | \$ 208,146                    | \$ -               | \$ -              | \$ 208,146                     |
| School building project               | 40,800                        | -                  | (8,160)           | 32,640                         |
| Total capital assets not depreciated  | <u>248,946</u>                | <u>-</u>           | <u>(8,160)</u>    | <u>240,786</u>                 |
| Capital assets depreciated:           |                               |                    |                   |                                |
| Leasehold improvements                | 62,456                        | 3,748              | -                 | 66,204                         |
| Furniture, fixtures and equipment     | 94,250                        | -                  | -                 | 94,250                         |
| Computer software                     | 10,370                        | -                  | -                 | 10,370                         |
| Library                               | 23,000                        | -                  | -                 | 23,000                         |
| Vehicles                              | 9,375                         | -                  | -                 | 9,375                          |
| Total capital assets depreciated      | <u>199,451</u>                | <u>3,748</u>       | <u>-</u>          | <u>203,199</u>                 |
| Less accumulated depreciation:        |                               |                    |                   |                                |
| Leasehold improvements                | (11,870)                      | (16,458)           | -                 | (28,328)                       |
| Furniture, fixtures and equipment     | (79,402)                      | (2,425)            | -                 | (81,827)                       |
| Computer software                     | (10,370)                      | -                  | -                 | (10,370)                       |
| Library                               | (20,450)                      | (500)              | -                 | (20,950)                       |
| Vehicles                              | (9,375)                       | -                  | -                 | (9,375)                        |
| Total accumulated depreciation        | <u>(131,467)</u>              | <u>(19,383)</u>    | <u>-</u>          | <u>(150,850)</u>               |
| Total capital assets depreciated, net | <u>67,984</u>                 | <u>(15,635)</u>    | <u>-</u>          | <u>52,349</u>                  |
| Total capital assets, net             | <u>\$ 316,930</u>             | <u>\$ (15,635)</u> | <u>\$ (8,160)</u> | <u>\$ 293,135</u>              |

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
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**JUNE 30, 2015**

**NOTE 2 – CAPITAL ASSETS (continued):**

For the year ended June 30, 2015 depreciation expense of \$19,383 is reported in the Statement of Activities, Government-Wide Financial Statements by function as follows:

|                            |    |        |
|----------------------------|----|--------|
| Depreciation               |    |        |
| Operation of plant         | \$ | 19,383 |
| Loss on disposal of assets |    |        |
| Operation of plant         |    | 8,160  |
| Total                      | \$ | 27,543 |

**NOTE 3 - RISK MANAGEMENT:**

Insurance Risk

The Academy is exposed to various risks of loss in the normal course of operations which are related to theft, damage or destruction of assets, errors and omissions, injuries to employees and natural disasters. The Academy purchases commercial insurance for worker’s compensation, general liability, commercial property, commercial auto, educators’ legal liability and errors and omissions coverage.

For years ending June 30, 2015, 2014, and 2013 the Academy incurred no liability or casualty losses in excess of insurance coverage.

Revenue Risk

Approximately 99.81% of the Academy’s revenue is derived from state and local funds passed through the District. The current level of the Academy’s operation and program services may be impacted if funding is not renewed.

**NOTE 4 - RELATED PARTY TRANSACTIONS:**

During the year ended June 30, 2015 there were various transactions between the Academy and a private school owned by the Academy’s Administrator and her spouse. This related entity operates on the same site as the Academy and shares in leased space, utilities, and commercial insurance policies with the Academy.

The beginning balance due from the related entity on July 1, 2014 was \$0 and the amount charged to the private school for shared expenses was \$13,488 for the year ended June

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**JUNE 30, 2015**

**NOTE 4 - RELATED PARTY TRANSACTIONS (continued):**

30, 2015. The amount paid by the related entity to the Academy during 2015 was \$2,380 leaving a remaining balance due from the related entity to the Academy of \$11,108 which is reported in the fund and government wide financial statements under due from related entity. The balance due from the related entity of \$11,108 was paid to the Academy, subsequent to the balance sheet date, on August 10, 2015.

The principal of the Academy purchased playground equipment on behalf of the Academy during fiscal year 2014. The beginning balance due to the principal at July 1, 2014 was \$2,450 and at June 30, 2015 the Academy had not reimbursed the principal \$2,450 for the playground equipment. At June 20, 2015, the amount of \$2,450 is reported in the fund and government wide financial statements under due to related parties. Subsequent to the balance sheet date the Academy reimbursed the principal \$2,450 on August 10, 2015.

**NOTE 5 - REVENUE SOURCES:**

The Academy receives revenues for current operations primarily from the State of Florida through the District as detailed in the following schedule of revenue sources and amounts:

| <u>Sources</u>  | <u>General<br/>Fund</u> | <u>Capital<br/>Outlay</u> | <u>Total</u>      | <u>2014<br/>Total</u> |
|---|-------------------------|---------------------------|-------------------|-----------------------|
| State and local sources passed through the<br>School District of Hillsborough County: |                         |                           |                   |                       |
| Florida Education Finance Program (FEFP)  | \$ 360,115              | \$ -                      | \$ 360,115        | \$ 272,129            |
| Teacher Training  | -                       | -                         | -                 | * 810                 |
| Teacher lead program  | -                       | -                         | -                 | * 1,151               |
| Capital outlay  | -                       | 20,635 *                  | 20,635 *          | 17,658                |
| Other state revenue   | 32 *                    | -                         | 32 *              | -                     |
| Total state and local sources   | <u>360,147</u>          | <u>20,635</u>             | <u>380,782</u>    | <u>291,748</u>        |
| Other local sources   | <u>742 *</u>            | <u>-</u>                  | <u>742 *</u>      | <u>828</u>            |
| Total sources   | <u>\$ 360,889</u>       | <u>\$ 20,635</u>          | <u>\$ 381,524</u> | <u>\$ 292,576</u>     |

\* Not subject to District's administrative fee.

An administrative fee, equivalent to 5% of eligible funding reported in the schedule above, was withheld by the District totaling \$18,006 and \$13,606 for 2015 and 2014, respectively. This amount is reported in the Statement of Activities and Statement of Revenues, Expenses and Changes in Fund Balances as School District administrative fee.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6 – INTERFUND TRANSFERS:**

Government Accounting Standards Board Statement No. 34 (GASB 34) defines interfund transfers as flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the fund making the transfer and other financing sources in the fund receiving the transfer.

The Capital Outlay Fund (PECO) reports the receipt and expenditure of capital outlay funds. The Capital Outlay Fund received \$63,341 from the General Fund during fiscal year 2015 to compensate for the deficiency in revenues under expenditures.

**NOTE 7 – FUND BALANCE:**

The Academy complies with Government Accounting Standards Board Statement No. 54 (GASB 54) which clarifies the presentation of fund balance, a key indicator of interperiod equity. The fund balance reporting model is designed to clarify fund balance reporting into classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

**Nonspendable Fund Balance**

Generally means assets not expected to be converted to cash. The Academy has purchased certain insurance policies on an annual basis including periods that extend beyond the current period. The nonspendable fund balance of \$2,091 is reported as prepaid expense and \$11,072 is reported as deposits on the balance sheet.

In the governmental fund financial statements fund balance is reported in five classifications.

- **Nonspendable fund balance**, generally means fund balance not expected to be converted to cash. The Academy has purchased certain insurance policies providing coverage beyond the current accounting period. The prepaid expense of \$2,091, and deposits of \$11,072 is reported as nonspendable fund balance.
- **Restricted fund balance** is a portion of fund balance that constraints have been placed on the use of resources by external parties such as creditors, grantors, contributors, or laws and regulations of other governments. There is no restricted fund balance.
- **Committed fund balance** is used for a specific purpose pursuant to constraints imposed by formal action of the Academy's highest level of decision making authority. There is no committed fund balance.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 – FUND BALANCE (continued):**

- **Assigned fund balance** is amounts constrained by the Academy's intent to be used for specific purposes, but are neither restricted nor committed. Assignment ability can be delegated by the board of directors to the Academy's Principal. There is no assigned fund balance.
- **Unassigned fund balance** is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. The unassigned fund balance is \$24,002.

**Spending Policies of the Academy**

The Academy considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Academy has a revenue spending policy that provides policy for programs with multiple revenue sources. The finance officer 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 finance officer has the authority to deviate from this policy if it is in the best interest of the Academy.

**NOTE 8 – COMMITMENTS:**

Beginning fiscal year 2014 the Academy moved its educational facility to 9390 North Florida Avenue, Tampa, Florida. The Academy has entered into a four year lease agreement for ten thousand (10,000) square feet of classroom and office space with NWC, LLC of Tampa, Florida.

The monthly rent is \$5,000 to \$11,414 per month. The total rent expense for the fiscal year ended June 30, 2015 less the rent allocation to the private school of \$4,661 was \$101,535. November 2014, the Academy entered into an amended lease agreement with NWC, LLC, temporarily reducing the monthly rent. The adjusted future rent commitment is reported in the future minimum lease payments schedule below.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – COMMITMENTS (continued):**

During fiscal year 2014 the Academy also entered into a five year lease agreement for playground equipment expiring October 2018 and a four year lease agreement for a printer/copier expiring May 2018. The monthly rent expense for the playground equipment is \$600 per month and the monthly rent expense for the printer/copier is \$88 per month.

Future minimum lease payments are as follows:

| <u>Fiscal<br/>Year</u> | <u>Total Base Rent</u> | <u>Building</u>   | <u>Playground</u> | <u>Printer</u>  |
|------------------------|------------------------|-------------------|-------------------|-----------------|
| 2016                   | \$ 136,665             | \$ 128,405        | \$ 7,204          | \$ 1,056        |
| 2017                   | 142,903                | 134,643           | 7,204             | 1,056           |
| 2018                   | 8,104                  | -                 | 7,204             | 900             |
| 2019                   | 2,402                  | -                 | 2,402             | -               |
| Total                  | <u>\$ 401,866</u>      | <u>\$ 366,580</u> | <u>\$ 31,218</u>  | <u>\$ 4,068</u> |

**NOTE 9 – SUBSEQUENT EVENTS:**

Management has evaluated all events subsequent to the balance sheet date of June 30, 2015 through September 25, 2015, which is the date these financial statements were available to be issued. For a more detailed explanation of subsequent events see Note 4.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND**  
**JUNE 30, 2015**

|  | Governmental Funds |                            |                  |   |
|--|--------------------|----------------------------|------------------|---|
|  | General Fund       |                            |                  |   |
|  | Original<br>Budget | Final<br>Amended<br>Budget | Actual<br>Amount | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| Revenues:  |                    |                            |                  |   |
| State and local sources passed through the<br>School District of Hillsborough County | \$ 394,702         | \$ 394,702                 | \$ 360,147       | \$ (34,555)   |
| Fundraising  | -                  | -                          | 742              | 742   |
| Other revenue  | -                  | -                          | -                | -   |
| Total revenues   | <u>394,702</u>     | <u>394,702</u>             | <u>360,889</u>   | <u>(33,813)</u>   |
| Expenditures:  |                    |                            |                  |   |
| Instruction  | 76,965             | 123,190                    | 141,135          | (17,945)  |
| Instruction and staff training   | -                  | -                          | 586              | (586)   |
| School administration  | 77,078             | 61,000                     | 15,315           | 45,685  |
| School District administration fee   | 19,735             | 18,006                     | 18,006           | -   |
| Fiscal services  | 17,400             | 7,200                      | 7,200            | -   |
| Operation of plant   | 23,700             | 32,230                     | 16,840           | 15,390  |
| Facilities acquisition and construction  | 5,600              | 5,600                      | 3,748            | 1,852   |
| Maintenance of plant   | 36,236             | 26,036                     | 31,314           | (5,278)   |
| General support services   | 46,843             | 22,770                     | 22,263           | 507   |
| Total expenditures   | <u>303,557</u>     | <u>296,032</u>             | <u>256,407</u>   | <u>39,625</u>   |
| Expenses under (over) revenues   | 91,145             | 98,670                     | 104,482          | 5,812   |
| Other financing sources (uses)   |                    |                            |                  |   |
| Transfers in   | -                  | -                          | -                | -   |
| Transfers out  | -                  | -                          | (63,341)         | (63,341)  |
| Net change in fund balance   | <u>\$ 91,145</u>   | <u>\$ 98,670</u>           | 41,141           | <u>\$ (57,529)</u>                                      |
| Fund balance - July 1, 2014  |                    |                            | <u>(3,976)</u>   |   |
| Fund balance - June 30, 2015   |                    |                            | <u>\$ 37,165</u> |   |

**THE RICHARDSON MONTESSORI ACADEMY, INC.**  
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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL – CAPITAL OUTLAY FUND**  
**JUNE 30, 2015**

| Governmental Funds  |                            |                  |   |                          |                            |                  |   |
|---------------------|----------------------------|------------------|---|--------------------------|----------------------------|------------------|---|
| Capital Outlay Fund |                            |                  |   | Total Governmental Funds |                            |                  |   |
| Original<br>Budget  | Final<br>Amended<br>Budget | Actual<br>Amount | Variance with<br>Final Budget<br>Positive<br>(Negative) | Original<br>Budget       | Final<br>Amended<br>Budget | Actual<br>Amount | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| \$ 17,650           | \$ 17,650                  | \$ 20,635        | \$ 2,985  | \$ 412,352               | \$ 412,352                 | \$ 380,782       | \$ (31,570)   |
| -                   | -                          | -                | -   | -                        | -                          | 742              | 742   |
| -                   | -                          | -                | -   | -                        | -                          | -                | -   |
| 17,650              | 17,650                     | 20,635           | 2,985   | 412,352                  | 412,352                    | 381,524          | (30,828)  |
| -                   | -                          | -                | -   | 76,965                   | 123,190                    | 141,135          | (17,945)  |
| -                   | -                          | -                | -   | -                        | -                          | 586              | (586)   |
| -                   | -                          | -                | -   | 77,078                   | 61,000                     | 15,315           | 45,685  |
| -                   | -                          | -                | -   | 19,735                   | 18,006                     | 18,006           | -   |
| -                   | -                          | -                | -   | 17,400                   | 7,200                      | 7,200            | -   |
| 103,532             | 87,137                     | 83,976           | 3,161   | 127,232                  | 119,367                    | 100,816          | 18,551  |
| -                   | -                          | -                | -   | 5,600                    | 5,600                      | 3,748            | 1,852   |
| -                   | -                          | -                | -   | 36,236                   | 26,036                     | 31,314           | (5,278)   |
| -                   | -                          | -                | -   | 46,843                   | 22,770                     | 22,263           | 507   |
| 103,532             | 87,137                     | 83,976           | 3,161   | 407,089                  | 383,169                    | 340,383          | 42,786  |
| (85,882)            | (69,487)                   | (63,341)         | 6,146   | 5,263                    | 29,183                     | 41,141           | 11,958  |
| -                   | -                          | 63,341           | 63,341  | -                        | -                          | 63,341           | 63,341  |
| -                   | -                          | -                | -   | -                        | -                          | (63,341)         | (63,341)  |
| \$ (85,882)         | \$ (69,487)                | -                | \$ 69,487   | \$ 5,263                 | \$ 29,183                  | 41,141           | \$ 11,958   |
|                     |                            | -                |   |                          |                            | (3,976)          |   |
|                     |                            | \$ -             |   |                          |                            | \$ 37,165        |   |

## **REGULATORY REPORTS**

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

To the Board of Directors  
The Richardson Montessori Academy, Inc.  
a Charter School and Component Unit of  
the School District of Hillsborough County  
Tampa, 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 The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida, (the "Academy") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated September 25, 2015.

**Internal Control Over Financial Reporting**

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

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

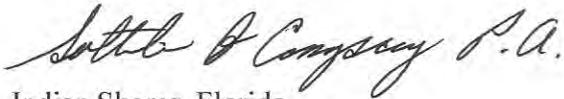
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Academy'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 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 entity'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.



Indian Shores, Florida  
September 25, 2015

## MANAGEMENT LETTER

To the Board of Directors  
The Richardson Montessori Academy, Inc.  
a Charter School and Component Unit of the  
School District of Hillsborough County, Florida

### Report on the Financial Statements

We have audited the basic financial statements of The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida (the "Academy"), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated September 25, 2015.

### 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.

### Other Reporting Required by Government Auditing Standards

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 that report, which is dated September 25, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter schools and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### **Financial Condition**

Pursuant to Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met.

In connection with our audit, we determined that The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e) 6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida. It is management's responsibility to monitor The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida'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.

### **Transparency**

Section 10.854(1)(e)7. and 10.855(13) Rules of the Auditor General, require that we apply appropriate procedures to determine whether The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida 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 Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## Other Matters

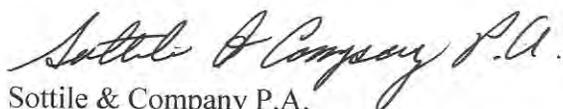
Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

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

Section 10.854(1)(e)5., Rules of the Auditor General, Section 1002.33(9)(p), Florida Statutes, requires the name or official title of the entity. The official title of the entity is The Richardson Montessori Academy, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida.

## 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 School District of Hillsborough County, Florida, 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.



Sottile & Company P.A.  
Indian Shores, Florida  
September 25, 2015