

**CORAL REEF MONTESSORI ACADEMY
CHARTER SCHOOL, INC.**
(A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF MIAMI-DADE COUNTY,
FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTAL
INFORMATION

JUNE 30, 2020

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
BASIC FINANCIAL STATEMENTS, INDEPENDENT AUDITOR’S REPORT AND SUPPLEMENTAL
INFORMATION

JUNE 30, 2020

TABLE OF CONTENTS

	PAGES
General Information	1
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-12
 Basic Financial Statements	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position.....	13
Statement of Activities.....	14
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	18
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	19
<i>Notes to Basic Financial Statements</i>	20-34
 Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	35
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund.....	36
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund.....	37
<i>Note to Required Supplemental Information</i>	38
FRS/HIS - Schedule of Proportion Share of Net Pension Liability.....	39
FRS/HIS - Schedule of Contributions.....	40
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41-42
Management Letter.....	43-45

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
(A Charter School and component unit of the District School Board of Miami-Dade
County.)

10853 S.W. 216th Street
Miami, Florida 33170
(305) 255-0064

2019-2020

BOARD OF DIRECTORS

Mr. Wendall Carr, President
Ms. Rosemary Smith Hoel
Mr. Nestor Torres
Mr. Ricardo Alvarez
Mr. Samuel C. Jackson

SCHOOL ADMINISTRATION

Dr. Lucy Canzoneri-Golden, Co-Director
Dr. Juliet King, Co-Director



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coral Reef Montessori Academy Charter School, Inc.
Miami, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government 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 School, as of June 30, 2020, 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.

Other Matters

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the FRS and HIS Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 39 and 40 and the budgetary comparison information on pages 35 through 37 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2020, on our consideration of 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2020

Management's Discussion and Analysis
Coral Reef Montessori Academy Charter School
June 30, 2020

The corporate officers of Coral Reef Montessori Academy Charter School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2020.

Financial Highlights

1. At year-end, the School had current assets on hand of \$247,378. The net position at June 30, 2020, was \$17,646.
2. The net position of the School decreased by \$189,603 during the year after a pension liability expense adjustment of \$285,528.
3. The unassigned fund balance increased by \$34,504 for the year ended June 30, 2020 and at year end had a fund balance deficit of \$23,142.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2020 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements can be found on pages 13 – 14 of this report.

Fund Financial Statements

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

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general, special revenue, and capital projects fund. A budgetary comparison statement has been provided for the School's Governmental Funds to demonstrate compliance with the School's budget. The basic Governmental Fund financial statements can be found on pages 15 - 18 of this report.

The Agency Fund statement provides information about the financial relationship in which the School acts solely as an agent for the benefit of others. The School is fiduciary for assets that belong to others, such as the student activity funds. The School is responsible for ensuring that the assets reported in these activity funds are used only for the intended purposes and by those for whom the assets are contributed. The School excludes these activities from the Statement of Net Position because it cannot use these funds to finance its operations. The Agency Fund statement can be found on page 19 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 20-34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a School's financial position. A summary of the School's net position as of June 30, 2020 and 2019 follows:

Assets and Deferred Outflows of Resources	<u>2020</u>	<u>2019</u>
Cash	\$ 182,431	\$ 109,470
Due from governmental agencies and internal fund	64,947	108,487
Capital assets, net	<u>6,625,166</u>	<u>6,670,073</u>
Total Assets	6,872,544	6,888,030
Deferred outflows of resources	<u>757,249</u>	<u>772,805</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 7,629,793</u>	<u>\$ 7,660,835</u>
 Liabilities, Deferred Inflows of Resources and Net Position		
Accounts and wages payable	\$ 270,520	\$ 275,603
Long-term debt	4,842,058	4,914,387
Net pension liability	<u>2,316,457</u>	<u>2,003,708</u>
Total Liabilities	7,429,035	7,193,698
Deferred inflows of resources	183,112	225,888
Net investment in capital assets	2,079,708	1,930,686
Deficit in accounting for net position liability/deferred outflows and inflows of resources	(1,742,320)	(1,456,791)
Unrestricted	<u>(319,742)</u>	<u>(232,646)</u>
Total Net Position	<u>17,646</u>	<u>241,249</u>
Total Liabilities/Deferred Inflows of Resources and Net Position	<u>\$ 7,629,793</u>	<u>\$ 7,660,835</u>

At June 30, 2020, the School's total assets and deferred outflows of resources were \$7,629,793 and total liabilities and deferred inflows of resources were \$7,429,036. At the end of the fiscal year, the School reported a net position of \$17,646 with a net decrease of \$189,603 for the year ended June 30, 2020. The School has expanded its facilities and total capitalized costs added in the last two years have been a total of approximately \$2,500,000, which has mainly been financed through additional long-term debt.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2020 and 2019 were as follows:

REVENUES	2020	2019
Program Revenues		
Federal sources	\$ 80,650	\$ 97,169
Capital outlay funding	266,184	248,141
Charges for services	31,320	41,760
General Revenues		
State and local sources	4,086,992	3,773,278
Miscellaneous revenue	139,452	230,800
Total Revenues	<u>\$ 4,604,598</u>	<u>\$ 4,391,148</u>
 EXPENSES		
Instructional services	\$ 2,654,899	\$ 2,427,909
Student support services	53,250	45,590
Instructional staff training services	23,331	20,839
Board	28,843	58,307
General administration	92,760	106,647
School administration	545,401	435,806
Facilities acquisition and construction	5,560	10,898
Fiscal services	14,583	27,784
Food services	101,555	116,584
Operation of plant	292,247	229,446
Maintenance of plant	74,917	53,776
Administrative technology services	22,843	25,982
Community services	187,501	5,268
Interest expense	232,802	254,644
Depreciation	178,181	170,985
Total Expenses	<u>4,508,673</u>	<u>3,990,465</u>
 Pension liability adjustment expense	<u>(285,528)</u>	<u>(135,126)</u>
Change in Net Position	<u>(189,603)</u>	<u>265,557</u>
 Net Position (Deficit) at Beginning of Year	241,249	(24,308)
Restatement	(34,000)	-
Net Position at End of Year	<u>\$ 17,646</u>	<u>\$ 241,249</u>

The School's net position decreased by \$189,603 for the year ended June 30, 2020. The School's revenues increased due to additional enrollment of students. The School's expenses increased primarily to additional instructional and school administration employees hired. In addition, due to COVID-19 Pandemic, the School had a reduction of other revenue from its pre-school Coral Reef Montessori Academy, Inc. The School had to close its facilities and there was a loss of revenue due to the closure of all schools in Miami-Dade County. Finally, the School has had one-time costs associated with the renewal of their accreditation that it does not expect in the next year.

ACHIEVEMENTS

During the 2019-2020 school year, the School abruptly faced the Coronavirus pandemic. Because of the virus, our school, like all schools across the country, has been closed. We have all social-distanced from March 13, 2020 until the end of the school year, June 3, 2020. CRMA school community pulled our recourses together and came up with an online learning platform while maintaining the integrity of the Montessori curriculum. We are grateful for our teachers, who have taken the initiative to become online educators overnight, trying to find ways to connect to their students and continue to deliver instruction. We are appreciative of our parents for all they do to assist the teachers and support their children, as we found ways to be accountable for the students' education. We applaud our students for their ability to adapt to change and their willingness to go with the flow and become active participants in their learning.

This year continued to be a rollercoaster of magnificent growth and achievement. We received dual Accreditation from The American Montessori Society (AMS) and Cognia, what was formally known as SACS. We are one of nineteen public schools in the nation to receive the AMS Accreditation that will expire in 2028. The antecedent for the process was an intensive self-study that has paved the way for developing and creating a public Montessori Charter School of the highest caliber, committed to Cultural Relevant Pedagogy and Anti-Bias, Anti-Racist practices.

The School will partake in a three year Strategic Plan that will benefit all stakeholders to ensure a solid foundation, as we work towards our milestone of completing twenty-five years. We will continue to prepare our environment by maintaining the recommendations set forth by the Accreditation committee. In addition, CRMA expanded their administration team by adding two key Assistant Principal positions one by Idsa Mcnaughton, the other by Tammy King.

The School's students and staff, ever mindful of their humanitarian obligations, received recognition from a number of community based organizations for their support. The School created organic gardens in the Kindergarten through 6th grade, and an indoor garden in the Middle School. The School participated in school wide recycling, and the Mangrove Reclamation Project. The School's Chess Club continues to be nationally ranked. The School once again participated in "Trick or Treat" for UNCEF. We have raised over \$559.00 for UNICEF this year.

The Peace Committee, a group of students who represent the School at the United Nations each year, learned and discussed world issues and participated in Global Citizens Action Project GCAP. They chose to support one global project, "Save the Rain", and rose over \$815.00. They also sponsored an international toothbrush drive, a toy collection for the migrant farmers' families through M.U.J.E.R, clothes and supplies for multiple charitable organizations and a school-supply collection for The Children of Haiti Enhancement Fund, COHEF

Our Thespian Honor Society, Troupe 89316, continues to shine and represent us with awards in District and State competitions. All acts qualified to participate in States. For the first time, Troupe 89316 received a critic's choice for the ensemble acting. Below are the awards given to the members of Troupe 89316.

- Ensemble Acting: Critics Choice
- Duet Acting: Superior
- Pantomime: Excellent
- Ensemble Singing: Excellent
- Large Ensemble: Superior
- Ensemble Acting 2: Excellent

The School also participated in raising money for St. Jude's Children Hospital and the American Cancer Society. Locally, the School continued to support: Dade County Chapter of the Links Foundation and food drives such as St. Andrews Church, the Camillus House and Community Partnership for the Homeless, and donated to Community Blood Center of South Florida.

The students in "grades" 4th – 6th went to Busch Gardens to support their STEAM studies. The School continues to foster an ongoing relationship with the Miami-Dade Department of Cultural Affairs and has participated in many field trips with Miami's Cultural Educational Institutes.

The School is proud to be participating in Anti-Bias- Anti-Racist Culturally Relevant Curriculum and completed its second year of two and a half year literature series concentrating on the Latinx experience. The two co-founders/co-directors completed their doctoral research entitled An Examination Of Culturally Relevant Pedagogy And Anti-Bias/Anti-Racist Curriculum In A Montessori Setting. They have now been awarded a doctoral degree from Lynn University in Educational Leadership. Furthermore, they have been invited by several National Montessori Organizations to discuss their study, which includes CRMA, one of the schools understudy.

SCHOOL LOCATION

The School operates in the Miami area from its facility located at 10853 S.W. 216 Street, Miami, FL 33170.

CAPITAL IMPROVEMENT REQUIREMENT

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

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

At the end of the fiscal year, the School's governmental funds reported a combined deficit in the School's fund balances of \$23,142, an increase of \$34,504.

Capital Assets

The School's investment in capital assets as of June 30, 2020 amounts to \$6,625,166 (net of accumulated depreciation) respectively. The investment in capital assets includes land, improvements other than buildings, school building, furniture, fixtures, and computer equipment.

Mortgage Payable, Net of Loan Costs

In February 2015, the School modified its existing loan originally obtained in January 2008 in the amount of \$3,325,000. The School replaced the note above and increased the total available amount by \$1,991,518 through a non-revolving line of credit. After the completion of the facilities the original note and the revolving line of credit balances were consolidated. The note is collateralized by the School's building and land and is guaranteed by the School's co-directors and matures in February 2022. The note payable bears interest of 4.50%. The balance at June 30, 2020 was \$4,545,458. For the year ended June 30, 2020, the School made principal repayments of \$193,929.

Note Payable

Coral Reef Montessori Academy Charter School, Inc. received loan proceeds of \$121,600 through the Paycheck Protection Program ("PPP"). The loan proceeds are to be used for payroll, rent, utilities, and interest expense. The loan matures on April 21, 2022 and bears annual interest at 1%. The loan is payable monthly with a deferral of payments for the first twelve months. The loan and accrued interest are forgivable in whole or in part if used for the qualifying purposes as noted above.

General Fund Budget Analysis and Highlights

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

	All Governmental Funds		
	Original		
	Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,875,381	\$ 3,875,381	\$ 4,086,992
Federal school lunch and contributions	97,200	97,200	80,650
State capital outlay funding	284,141	284,141	266,184
Charges for services	10,000	10,000	31,320
Miscellaneous and interest income	410,000	410,000	139,452
TOTAL REVENUES	<u>\$ 4,676,722</u>	<u>\$ 4,676,722</u>	<u>\$ 4,604,598</u>
EXPENDITURES			
Instructional services	\$ 2,480,446	\$ 2,480,446	\$ 2,654,899
Student support services	46,000	46,000	53,250
Instructional staff training services	23,000	23,000	23,331
Board	26,000	26,000	28,843
General administration	97,472	97,472	92,760
School administration	390,301	390,301	545,401
Facilities acquisition, construction and other capital outlay	169,440	169,440	138,834
Fiscal services	10,000	10,000	14,583
Food services	116,690	116,690	101,555
Community services	156,000	156,000	187,501
Administrative technology services	26,000	26,000	22,843
Operation of plant	247,200	247,200	292,247
Maintenance of plant	29,427	29,427	74,917
Debt services	510,900	510,900	460,730
TOTAL EXPENDITURES	<u>4,328,876</u>	<u>4,328,876</u>	<u>4,691,694</u>
Excess (Deficit) of revenues over expenditures	347,846	347,846	(87,096)
Other financing sources (uses)	-	-	121,600
Net change in fund balance	<u>\$ 347,846</u>	<u>\$ 347,846</u>	<u>\$ 34,504</u>

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Juliet King and Lucy Golden, Co-Directors, located at 10853 SW 216 Street, Miami, Florida 33170.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and cash equivalents	\$ 182,431
Accounts receivable	38,342
Due from internal fund	26,605
Total current assets	<u>247,378</u>

CAPITAL ASSETS

Land	980,909
Building and improvements	7,080,323
Less accumulated depreciation	(1,503,061)
Improvements other than buildings	90,000
Less accumulated depreciation	(23,090)
Furniture, fixtures and computer equipment	264,239
Less accumulated depreciation	(264,154)
Total capital assets	<u>6,625,166</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources FRS/HIS	<u>757,249</u>
Total deferred outflows of resources	<u>757,249</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 7,629,793</u></u>
---	----------------------------

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 6,700
Wages and other payable	263,820
Line of credit	175,000
Mortgage payable - current portion	206,218
Total current liabilities	<u>651,738</u>

Mortgage payable - long term portion	4,339,240
Note payable - long term portion	121,600
Net pension liability	2,316,457
TOTAL LIABILITIES	<u>7,429,035</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources FRS/HIS	<u>183,112</u>
Total deferred inflows of resources	<u>183,112</u>

NET POSITION

Net investment in capital assets	2,079,708
Deficit in accounting for Net Pension Liability/Deferred <input type="checkbox"/>	
Outflows and Inflows of Resources	(1,742,320)
Deficit in unrestricted	(319,742)
TOTAL NET POSITION	<u>17,646</u>

TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 7,629,793</u></u>
---	----------------------------

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions	Expenses	Charges for Services	Grants and Contributions	Capital Grants and Contributions	Net (Expense) and Change in Net Position
Governmental Activities:					
Instructional services	\$ 2,654,899	\$ -	\$ -	\$ -	\$ (2,654,899)
Student support services	53,250	-	-	-	(53,250)
Instructional staff training services	23,331	-	-	-	(23,331)
Board	28,843	-	-	-	(28,843)
General administration	92,760	-	-	-	(92,760)
School administration	545,401	-	-	-	(545,401)
Facilities acquisition and construction	5,560	-	-	5,560	-
Fiscal services	14,583	-	-	-	(14,583)
Food services	101,555	-	80,650	-	(20,905)
Operation of plant	292,247	-	-	30,713	(261,534)
Maintenance of plant	74,917	-	-	27,303	(47,614)
Administrative technology services	22,843	-	-	-	(22,843)
Community services	187,501	-	-	-	(187,501)
Interest on long-term debt	232,802	31,320	-	202,608	1,126
Depreciation expense	178,181	-	-	-	(178,181)
Total Governmental Activities	\$ 4,508,673	\$ 31,320	\$ 80,650	\$ 266,184	\$ (4,130,519)

GENERAL REVENUES:

State and local sources	4,086,992
Miscellaneous revenue	139,452
Total general revenues	4,226,444
Pension liability adjustment expense	285,528
Change in Net Position	(189,603)
Net Position as previously reported, July 1, 2019	241,249
Restatement	(34,000)
NET POSITION - beginning of year	207,249
NET POSITION - end of year	\$ 17,646

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020**

ASSETS

Cash and cash equivalents	\$	182,431
Accounts receivable		38,342
Due from internal fund		26,605
TOTAL ASSETS	\$	<u>247,378</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	\$	6,700
Wages payable		263,820
TOTAL LIABILITIES		<u>270,520</u>

FUND BALANCE

Deficit in unassigned		<u>(23,142)</u>
TOTAL FUND BALANCE		<u>(23,142)</u>

TOTAL LIABILITIES AND FUND BALANCE	\$	<u>247,378</u>
------------------------------------	----	----------------

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2020**

Total Fund Balance (Deficit) - Governmental Funds \$ (23,142)

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 fund

Capital assets	8,415,471
Accumulated depreciation	(1,790,305)

Accounting for the School's participation in the FRS - the following amounts are reported in the Government-Wide Statements:

Deferred Outflows	757,249
Deferred Inflows	(183,112)
Net Pension Liability	(2,316,457)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Mortgage payable	(4,545,458)
Note payable	(121,600)
Line of credit	<u>(175,000)</u>

Total Net Position - Governmental Activities \$ 17,646

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
State passed through local	\$ 4,086,992	\$ -	\$ -	\$ 4,086,992
State capital outlay funding	-	-	266,184	266,184
Federal school lunch and contributions	-	80,650	-	80,650
Charges for services	31,320	-	-	31,320
Miscellaneous income	139,452	-	-	139,452
TOTAL REVENUES	\$ 4,257,764	\$ 80,650	\$ 266,184	\$ 4,604,598
EXPENDITURES				
Current:				
Instructional services	\$ 2,654,899	\$ -	\$ -	\$ 2,654,899
Pupil personnel services	53,250	-	-	53,250
Instructional staff training services	23,331	-	-	23,331
Board	28,843	-	-	28,843
School administration	545,401	-	-	545,401
General administration	92,760	-	-	92,760
Facilities acquisition and construction	-	-	5,560	5,560
Fiscal services	14,583	-	-	14,583
Food services	20,905	80,650	-	101,555
Operation of plant	261,534	-	30,713	292,247
Maintenance of plant	47,614	-	27,303	74,917
Administrative technology services	22,843	-	-	22,843
Community services	187,501	-	-	187,501
Capital Outlay:				
Other capital outlay	133,274	-	-	133,274
Debt Service:				
Redemption of principal	227,929	-	-	227,929
Interest and fees	30,193	-	202,608	232,801
TOTAL EXPENDITURES	\$ 4,344,860	\$ 80,650	\$ 266,184	\$ 4,691,694
Excess (Deficit) of revenues over expenditures	(87,096)	-	-	(87,096)
OTHER FINANCING SOURCES (USES)				
Proceeds from other financing sources	121,600	-	-	121,600
TOTAL OTHER FINANCING SOURCES (USES)	121,600	-	-	121,600
Net change in fund balance	34,504	-	-	34,504
Fund balance (Deficit), beginning of year	(57,646)	-	-	(57,646)
Fund balance (Deficit), end of year	<u>\$ (23,142)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,142)</u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balance - Governmental Funds \$ 34,504

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	133,274
Depreciation expense	(178,182)

Accounting for the School's participation in the Florida Retirement System:

Pension liability expense	(285,528)
---------------------------	-----------

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayments of principal	193,929
Repayment of advances	34,000
Proceeds from financing	<u>(121,600)</u>

Change in Net Position of Governmental Activities \$ (189,603)

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Agency Fund Student Activity
ASSETS	
Cash	\$ 26,605
TOTAL ASSETS	<u>\$ 26,605</u>
LIABILITIES	
Due to general fund	\$ 26,605
TOTAL LIABILITIES	<u>\$ 26,605</u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Coral Reef Montessori Academy Charter School, Inc. (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida, (the “District”) and is a component unit of the District. The School’s charter is held by Coral Reef Montessori Academy Charter School, Inc. a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors, which is comprised of 5 members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2028. 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 School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2020, when approximately 570 students were enrolled in grades kindergarten through eighth.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits of States and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Capital Projects Fund - used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Additionally, the School reports the following fiduciary fund type:

Agency Funds

Agency funds account for assets held by the School in a custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is a School Activities Fund. It accounts for monies collected and spent resulting from student activities at the School site level such as music, clubs and other similar activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Coral Reef Montessori Academy Charter School, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Accounts receivable

Accounts receivable consists principally of management fees pending to be collected. Any bad debts are expensed in the period when they are determined to be uncollectible.

Due from Other Government or Agency

Due from other government or agency consists of grants receivable which were collected in the subsequent year. Since all receivables were collected subsequent to year end, an allowance for doubtful accounts is not necessary.

Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$750 on tangible personal property. Other costs incurred for repairs and maintenance is expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	7 Years
Building and improvements	39 Years

Long-term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. Long term liabilities are due in more than one year.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Financing costs are reported as expenditures.

Compensated absences

The School grants a specific number of days of sick/personal leave. Full-time employees are eligible for one day per month of sick/personal leave up to ten days of active work during the ten month period. Employees and administrators cannot forward unused days at year-end.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting (Continued)

Government-Wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for June 30, 2020 was \$2,079,708.
- Restricted net position – consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2020 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). There was \$0 in non-spendable fund balance at June 30, 2020.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2020, there was no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2020, there was no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2020, there was no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, Non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

Minimum Fund Balance

As of June 30, 2020, there are no minimum fund balance requirements for any of the School’s funds.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting (Continued)

Comparative Data and Reclassifications

Comparative total data for the prior year have been presented only for the balance sheet and statement of revenues, expenditures and changes in fund balances for governmental funds in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Use of Estimates

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

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Miami-Dade County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Subsequent Events

Subsequent events have been evaluated through September 14, 2020, which is the date the financial statements were available to be issued.

NOTE 3 – INCOME TAXES

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

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 –CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2020:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Capital Assets				
Land	\$ 980,909	\$ -	\$ -	\$ 980,909
Building and improvements	6,947,049	133,274	-	7,080,323
Improvements other than buildings	90,000	-	-	90,000
Furniture and equipment	264,239	-	-	264,239
Total Capital Assets	<u>\$ 8,282,197</u>	<u>\$ 133,274</u>	<u>\$ -</u>	<u>\$ 8,415,471</u>
Less Accumulated Depreciation				
Building and improvements	\$ (1,327,813)	\$ (175,248)	\$ -	\$ (1,503,061)
Improvements other than buildings	(20,776)	(2,314)	-	(23,090)
Furniture and equipment	(263,535)	(619)	-	(264,154)
Total Accumulated Depreciation	<u>\$ (1,612,124)</u>	<u>\$ (178,181)</u>	<u>\$ -</u>	<u>\$ (1,790,305)</u>
Capital Assets, net	<u>\$ 6,670,073</u>			<u>\$ 6,625,166</u>

Depreciation expense for the year ended June 30, 2020 amounted to \$178,181, of which \$619 was allocated to regular instruction and \$177,562 was allocated to operation of plant.

NOTE 5 – LOAN COSTS

The following schedule provides a summary of changes in loan costs for the year ended June 30, 2020:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Loan costs	\$ 29,881	\$ -	\$ -	\$ 29,881
Accumulated amortization	(29,881)	-	-	(29,881)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – RELATED PARTIES

The School’s co-directors are guarantors of the note payable. (See Note 7 – Notes Payable)

The School’s co-directors are owners of Coral Reef Montessori Academy, Inc. (the “Company”) a separate for-profit entity. The Company operates a pre-school and an after-school in the same facilities as the School. The Company reimburses the School for payroll and benefits related expenses and in addition pays a rental fee to the School. For the year ended June 30, 2020, the School was reimbursed approximately \$292,000 for payroll and benefit related expenses. In addition, a rental fee of approximately \$31,000 was paid to the School and is included in charges for services. The School received payments of approximately \$377,000 during the year from the Company. Finally, the Company made contributions totaling approximately \$50,000 to the School. At June 30, 2020, the total amount due from the Company was \$0.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 7 – MORTGAGE PAYABLE

In February 2015, the School modified their note payable of \$3,325,000 to obtain a lower interest rate and to extend the maturity date. During the fiscal year, the School replaced the note above and increased the total available amount by \$1,991,518 through a non-revolving line of credit in order to construct and expand its facilities. After the completion of the construction, the increase of \$1,991,518 will be consolidated with the remaining balance of the modified note. The note is collateralized by the School’s building and land. The note will be amortized over a 20 year period at a fixed interest rate of 4.50% commencing on March 20, 2018 and maturing on February 20, 2022 when the entire unpaid principal balance will be due.

The School’s co-directors are guarantors of the note payable as required by the bank to facilitate securing the note to the School. Even though the co-directors are personal guarantors on the note, they do not hold, or are entitled to, any security interest on the School’s building and land as these assets were acquired with government funds. In addition, the board of directors signed a resolution that would pay each of the co-directors .5% of the total loan outstanding for each year that they are listed as guarantors of the loan. For the year ended June 30, 2020, the School’s co-directors forgave this fee. The note payable agreement contains a financial covenant, which includes a debt service coverage ratio. At June 30, 2020, the School was in compliance with this covenant.

The School’s obligation under notes payable consists of the following:

	Balance 7/1/2019	Additions	Repayments	Balance 6/30/2020
Mortgage payable with monthly payments of principal and interest-bearing interest of 4.50% and maturing on February 20, 2022.	\$ 4,739,387	\$ -	\$ (193,929)	\$ 4,545,458

Maturities of debt are as follows:

Year Ended June 30	
2021	\$ 206,218
2022	4,339,240
Total	<u>\$ 4,545,458</u>

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 – NOTE PAYABLE

Coral Reef Montessori Academy Charter School, Inc. received loan proceeds of \$121,600 through the Paycheck Protection Program (“PPP”). The loan proceeds are to be used for payroll, rent, utilities, and interest expense. The loan matures on April 21, 2022 and bears annual interest at 1%. The loan is payable monthly with a deferral of payments for the first twelve months. The loan and accrued interest are forgivable in whole or in part if used for the qualifying purposes as noted above. The note payable has been classified as long-term. Below is a summary of changes for the year ended June 30, 2020:

	Balance 7/1/2019	Proceeds	Repayments	Balance 6/30/2020
Note Payable	\$ -	\$ 121,600	\$ -	\$ 121,600

Future maturities are as follows:

	Year Ended June 30
2021	\$ -
2022	121,600
Total	<u>\$ 121,600</u>

NOTE 9 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in one financial institution. As of June 30, 2020, the School’s deposits consisted of cash balances \$215,805. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Coral Reef Montessori Academy Charter School, Inc. All bank accounts are opened under the account ownership of Coral Reef Montessori Academy Charter School, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2020, bank balances in potential excess of FDIC coverage was \$0.

NOTE 10 – EMPLOYEE RETIREMENT PLAN

Reporting Entity

The Florida Department of Management Services, Division of Retirement (division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (system). For the fiscal year ended June 30, 2019, the division administered two cost-sharing, multiple employer defined benefit plans, one single employer defined benefit plan, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. The division issued a publicly-available, audited comprehensive annual financial report (CAFR) on behalf of the system that includes financial statements, notes and required supplementary information for each of the pension plans. Detailed information about the plans is provided in the CAFR which is available online or by contacting the division (see Note 11).

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Cost-Sharing Defined Benefit Plans

As required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), this report includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for each of the participating employers in the system’s cost-sharing, multiple employer defined benefit plans:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established, is administered, and may be amended in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.22, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.
- The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Over 1,000 participating employers are served by the two defined benefit plans. Of these, more than 900 employers, referred to as reporting employers, report payroll and remit contributions to the division for their covered employees and, in some cases, for the covered employees of associated participating employers.

A. Basis of Accounting

Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the system’s CAFR, provide employers with the required information for reporting.

The underlying financial information used to prepare the pension allocation schedules is based on the system’s records. The financial statements for the cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States. The system’s financial statements are available online or by contacting the division (see Note 11). There have been no significant changes since the publication of the financial statements.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

B. Employer Contributions

Contributions are recognized as revenues when due, pursuant to statutory and contractual requirements. Employee contributions required pursuant to section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis. Pension expense reported in the pension allocation schedules is reduced by these amounts.

Total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. Employer contributions reflected in the financial statements and in the pension allocation schedules for the cost-sharing defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer.

C. Use of Estimates

The preparation of these schedules, and the associated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements. Actual results could differ from those estimates.

Net Pension Liability of Employers

A. Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2019, are shown below:

	<u>FRS</u>	<u>HIS</u>
Total Pension Liability	\$ 8,740,057	\$ 817,870
Plan Fiduciary Net Position	<u>(7,219,973)</u>	<u>(21,498)</u>
Net Pension Liability	<u>\$ 1,520,084</u>	<u>\$ 796,373</u>
Plan Fiduciary Net Position as a Percentage as a Percentage of the Total Pension Liability	82.61%	2.63%

The total pension liability for the FRS was determined by the plan’s actuary and reported in the plan’s GASB 67 valuation as of June 30, 2019. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2018, and update procedures were used to determine liabilities as of June 30, 2019. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

B. Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ending June 30, 2013 through June 30, 2019, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015 through June 30, 2019, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

C. Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumptions Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biannually that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.90%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 11).

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

The following changes in actuarial assumptions occurred in 2019:

- FRS: The long-term expected rate of return was decreased from 7.00% to 6.90%, and the Mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.
- HIS: The municipal bond rate used to determine total pension liability was increased from 3.87% to 3.50%.

D. Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2019.

FRS Net Pension Liability			HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
5.90%	6.90%	7.90%	2.50%	3.50%	4.50%
\$ 2,627,719	\$ 1,520,084	\$ 595,021	\$ 909,100	\$ 796,373	\$ 702,483

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2019, was 6.4 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2019, are presented below for each plan.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Florida Retirement System (FRS)

Description	Recognized in Expense Fiscal Year Ending 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 111,366	\$ -	\$ -
Interest cost	582,409	-	-
Effect of plan changes	503	-	-
Effect of economic/demographic gains or loss (difference between expected and actual experience)	30,246	90,161	(943)
Effect of assumptions changes or inputs	113,977	390,423	(19,985)
Member contributions	(33,228)	-	-
Projected investment earnings	(487,372)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	92,732	-
Net difference between projected and actual investment earnings	53,385	-	(84,099)
Administrative expenses	864	-	-
Total	\$ 372,150	\$ 573,316	\$ (105,027)

Health Insurance Subsidy (HIS)

Description	Recognized in Expense Fiscal Year Ending 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 16,521	\$ -	\$ -
Interest Cost	29,762	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or loss (difference between expected and actual experience)	1,555	9,673	(976)
Effect of assumptions changes or inputs	13,740	92,212	(65,089)
Member contributions	(14)	-	-
Projected investment earnings	(727)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	81,534	(12,020)
Net difference between projected and actual investment earnings	228	514	-
Administrative expenses	14	-	-
Total	\$ 61,079	\$ 183,933	\$ (78,085)

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLAN (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year Ending June 30,	FRS Expense	HIS Expense
2020	\$ 64,504	\$ 18,954
2021	\$ 64,504	\$ 18,954
2022	\$ 186,686	\$ 18,888
2023	\$ 127,766	\$ 18,857
2024	\$ 18,793	\$ 16,314
Thereafter	\$ 6,035	\$ 13,882

NOTE 11 – ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the Florida Retirement System Pension Plan and Other State-Administered Systems CAFR for the fiscal year ended June 30, 2019. The system’s CAFR and the actuarial valuation reports referenced herein are available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications

The System’s CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Bureau of Research and Member Communications
 PO Box 9000
 Tallahassee, FL 32315-9000
 850-488-5706 or toll free at 877-377-1737

NOTE 12 – LINE OF CREDIT

In March 2019, the School obtained an unsecured line of credit with a credit limit of \$175,000. The line of credit bears interest at the prime rate plus 1.00%. The line of credit matured on September 10, 2020, and the School is currently in the process of extending the line of credit. The amount outstanding at year end was \$175,000.

NOTE 13 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 14 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

NOTE 15 – RESTATEMENT

The restatement of net position is the result of advances given to the School in prior years that were incorrectly reported as revenues when it was received. The total amount was \$34,000 and it was paid back in the current fiscal year. The result was an adjustment to the net position at July 1, 2018.

NOTE 16 – SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the School, its performance, and its financial results.

REQUIRED SUPPLEMENTAL INFORMATION

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund Budget		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,875,381	\$ 3,875,381	\$ 4,086,992
Charges for services	10,000	10,000	31,320
Miscellaneous and interest income	410,000	410,000	139,452
TOTAL REVENUES	\$ 4,295,381	\$ 4,295,381	\$ 4,257,764
EXPENDITURES			
Instructional services	\$ 2,480,446	\$ 2,480,446	\$ 2,654,899
Student support services	46,000	46,000	53,250
Instructional staff training services	23,000	23,000	23,331
Board	26,000	26,000	28,843
School administration	390,301	390,301	545,401
General administration	97,472	97,472	92,760
Facilities acquisition, construction and other capital outlay	175,000	175,000	133,274
Fiscal services	10,000	10,000	14,583
Food services	19,490	19,490	20,905
Community services	156,000	156,000	187,501
Administrative technology services	26,000	26,000	22,843
Operation of plant	216,487	216,487	261,534
Maintenance of plant	29,427	29,427	47,614
Debt services	510,900	510,900	258,122
TOTAL EXPENDITURES	\$ 4,206,523	\$ 4,206,523	\$ 4,344,860
Excess (Deficit) of revenues over expenditures	88,858	88,858	(87,096)
Other financing sources	-	-	121,600
Net change in fund balance	\$ 88,858	\$ 88,858	\$ 34,504

See accompanying note to required supplemental information.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Special Revenue Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal school lunch and contributions	97,200	97,200	80,650
TOTAL REVENUES	<u>\$ 97,200</u>	<u>\$ 97,200</u>	<u>\$ 80,650</u>
EXPENDITURES			
Food services	\$ 97,200	\$ 97,200	\$ 80,650
TOTAL EXPENDITURES	<u>\$ 97,200</u>	<u>\$ 97,200</u>	<u>\$ 80,650</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to required supplemental information.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Capital Projects Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
State Capital Outlay Funding	\$ 284,141	\$ 284,141	\$ 266,184
TOTAL REVENUES	<u>\$ 284,141</u>	<u>\$ 284,141</u>	<u>\$ 266,184</u>
EXPENDITURES			
Facilities acquisition and construction	\$ 5,560	\$ 5,560	\$ 5,560
Maintenance of plant	27,303	27,303	27,303
Debt service	220,565	220,565	202,608
Operation of plant	30,713	30,713	30,713
TOTAL EXPENDITURES	<u>\$ 284,141</u>	<u>\$ 284,141</u>	<u>\$ 266,184</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to required supplemental information.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2020 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
FRS/HIS – SCHEDULE OF PROPORTION SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System – Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
School's proportion of the net pension liability	0.004413895%	0.004263015%	0.003764461%	0.003707668%	0.004063715%	0.004100296%
School's proportionate share of the net pension liability	\$ 1,520,084	\$ 1,284,042	\$ 1,113,502	\$ 936,189	\$ 524,883	\$ 250,178
School's covered-employee payroll	\$ 2,380,406	\$ 2,220,858	\$ 1,968,964	\$ 1,889,908	\$ 1,897,683	\$ 1,928,181
School's proportionate share of the net pension liability as a % of its covered payroll	63.86%	57.82%	56.55%	49.54%	27.66%	12.97%
Plan fiduciary net position as a % of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Schedule of Proportionate Share of Net Pension Liability - Health Insurance Subsidy Program – Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
School's proportion of the net pension liability	0.007117461%	0.006799496%	0.006177093%	0.006121921%	0.006489714%	0.006255125%
School's proportionate share of the net pension liability	\$ 796,373	\$ 719,666	\$ 660,483	\$ 713,485	\$ 637,924	\$ 606,804
School's covered-employee payroll	\$ 2,380,406	\$ 2,220,858	\$ 1,968,964	\$ 1,889,908	\$ 1,897,683	\$ 1,928,181
School's proportionate share of the net pension liability as a % of its covered payroll	33.46%	32.40%	33.54%	37.75%	33.62%	31.47%
Plan fiduciary net position as a % of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled the School presented information for only the first year for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon amounts published in the pension allocation schedules.

Note 3: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Comprehensive Annual Financial Report on the website indicated in Note 10.

Note 4: Refer to GASB 68, paragraph 81a- the information in this schedule should be determined as of the measurement date of the collective net pension liability.

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.
FRS/HIS - SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule of Contributions Florida Retirement System – Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 121,493	\$ 97,998	\$ 90,417	\$ 99,077	\$ 89,814	\$ 53,056
Contributions in relation to the contractually required contribution	\$ (121,493)	\$ (97,998)	\$ (90,417)	\$ (99,077)	\$ (89,814)	\$ (53,056)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schools' covered-employee payroll	\$ 2,220,858	\$ 1,968,964	\$ 1,889,908	\$ 1,897,683	\$ 1,928,181	\$ 1,796,871
Contributions as a % of covered-employee payroll	5.47%	4.98%	4.78%	5.22%	4.66%	2.95%

Schedule of Contributions Health Insurance Subsidy Program – Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 39,523	\$ 36,874	\$ 31,379	\$ 23,911	\$ 22,232	\$ 20,261
Contributions in relation to the contractually required contribution	\$ (39,523)	\$ (36,874)	\$ (31,379)	\$ (23,911)	\$ (22,232)	\$ (20,261)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schools' covered-employee payroll	\$ 2,220,858	\$ 1,968,964	\$ 1,889,908	\$ 1,897,683	\$ 1,928,181	\$ 1,796,871
Contributions as a % of covered-employee payroll	1.78%	1.87%	1.66%	1.26%	1.15%	1.13%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled the School presented information for only the first year for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon their accounting data.

Note 3: Refer to GASB 68, paragraph 81b- the information in this schedule should be determined as of the employer's most recent fiscal year.



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*

Board of Directors of
Coral Reef Montessori Academy Charter School, Inc.
Miami, 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 Coral Reef Montessori Academy Charter School, Inc. (the “School”), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 14, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Vrdiga, De Armas, & Trujillo LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2020



MANAGEMENT LETTER

Board of Directors of
 Coral Reef Montessori Academy Charter School, Inc.
 Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Coral Reef Montessori Academy Charter School, Inc. (the “School”), a non-major component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 14, 2020.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and 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 those reports and schedule, which are dated September 14, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Tabulation of Uncorrected Audit Findings		
Current Year	2018-19 FY	2017 -18 FY
Finding No.	Finding No.	Finding No.
2020-1	2019-1	2018-1

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 of the entity and the school code assigned by the Florida Department of Education of the school is Coral Reef Montessori Academy Charter School, Inc. and #130070.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2019 is not deteriorating. However, the following, in Additional Matters, was noted that we would like to bring to the attention of the governing body of the School.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate 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, however, we would like to bring the following to the attention of the governing body of the School:

2020-1: Total Deficit in Fund Balance

Observation

There is a total deficit in the School's fund balance of \$23,142 at June 30, 2020. The School did improve its fund balance deficit during the current year by \$34,504.

Management's Response

The School's net position decreased by \$189,603 for the year ended June 30, 2020. The School's revenues increased due to additional enrollment of students. The School's expenses increased primarily to additional instructional and school administration employees hired. In addition, due to COVID-19 Pandemic, the School had a reduction of other revenue from its pre-school Coral Reef Montessori Academy, Inc. The School had to close its facilities and there was a loss of revenue due to the closure of all schools in Miami-Dade County. Finally, the School has had one-time costs associated with the renewal of their accreditation that it does not expect in the next year. The School expects to be in a positive fund balance by the following school year.

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, and applicable management and the School Board of Miami-Dade County, Florida, is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2020