



Hill View Montessori

Board of Trustees Meeting

Published on October 18, 2024 at 1:36 PM EDT
Amended on October 22, 2024 at 10:27 AM EDT

Date and Time

Thursday October 24, 2024 at 6:30 PM EDT

Location

Hill View Montessori Charter Public School
75 Foundation Ave.
Haverhill, MA 01835

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:30 PM
A. Record Attendance		Jeff Hood	1 m
B. Call the Meeting to Order		Jeff Hood	
C. HVMCPS Financial Audit Review		Sharon Blazejowski	15 m
Presentation of Financial Audit to the Board of Trustees			
D. Public Comment		Jeff Hood	
E. Approve Minutes	Approve Minutes	Jeff Hood	1 m

	Purpose	Presenter	Time
II. Updates			6:47 PM
A. New Business		Jeff Hood	10 m
B. PTO Update	FYI	Jeff Hood	5 m
C. Executive Director Report	FYI	Phil Arnold	5 m
D. Accountability	FYI	Allysha Roth	5 m
E. Committee on Trustees	Discuss	Jeff Hood	10 m
1) Goals Discussion			
2) Remote/Virtual Options for Board Meetings as Part of Bylaws			
F. Development	FYI	Sarah Brush	5 m
G. Finance	FYI	Veronica Guzman	10 m
III. Closing Items			7:37 PM
A. Adjourn Meeting	Vote	Jeff Hood	

Coversheet

HVMCPS Financial Audit Review

Section: I. Opening Items
Item: C. HVMCPS Financial Audit Review
Purpose: FYI
Submitted by:
Related Material: HVMCPS_FY24 Audit_BOARD COMMUNICATION LETTER.102424.pdf
HVMCPS_FY24 Audit_PRESENTATION SUMMARY.101924.pdf
HVMCPS_FY24 Audit_DRAFT FOR BOARD REVIEW101924.pdf



October 24, 2024

Board of Trustees
Hill View Montessori Charter Public School
75 Foundation Avenue
Haverhill, MA 01835

We have audited the financial statements of the business-type activities of Hill View Montessori Charter Public School and Hill View Montessori Foundation, Inc. (collectively, the Organization), for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation is based on the estimated useful life of the asset. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of GASB 68 in Notes 8 and 9 to the financial statements for the Massachusetts Teachers' Retirement System as determined by actuaries for the plan.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We will request certain representations from management that will be included in the management representation letter at the conclusion of the audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on use

This information is intended solely for the information and use of the Board of Trustees and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MP, P.C.



October 24, 2024

Board of Trustees of the
Hill View Montessori Charter Public School

We recently completed our audit of the financial statements of Hill View Montessori Charter Public School and Hill View Montessori Foundation, Inc. (collectively, the “Organization”) for the year ended June 30, 2024. The following are some of the significant items on your financial statements:

- Management’s Discussion and Analysis was prepared by Management.
- Total assets as of June 30, 2024 were \$4,834,000 the largest being:
 - Cash \$2,173,000 a decrease of \$438,000 from the prior year, mainly due to an increase in expenses in 2024.
 - Property & equipment, net \$2,527,000, decrease of \$1,000 from the prior year, due to depreciation expense, net of capital purchases for the current year.
- Total liabilities as of June 30, 2024 were \$2,384,000, the largest being:
 - Notes payable - \$2,209,000, which decreased by \$101,000 due to principal payments on debt in 2024.
- The Organization has a current ratio in 2024 of 8.23 to 1.00, compared to 10.85 to 1.00 in 2023. This means for every \$1.00 of liabilities there is \$8.23 of assets. This is a very good position.
- Tuition increased by approximately \$189,000, due to an increase in the tuition rates per student from 2023 to 2024.
- Operating expenses increased by approximately \$321,000 (excluding on-behalf pension and in kind transportation). This increase is directly related to increases in salaries and benefits for the fiscal year 2024.
- There was net income in 2024 of \$2,500 compared to 2023 net income of \$9,900. The net income decreased in 2024 due to the increase in expenses as described above, net of the increase in non-operating revenue.
- There were no audit findings reported in the financial statements.

We have attempted to keep this information brief. We are pleased to elaborate or respond to inquiries impacting or reported on your financial statements or regarding our audit.

**HILL VIEW MONTESSORI
CHARTER PUBLIC SCHOOL**

and

**HILL VIEW MONTESSORI
FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

for the year ended June 30, 2024

with summarized comparative information for the year ended June 30, 2023

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

for the year ended June 30, 2024

with summarized comparative information for the year ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Hill View Montessori Charter Public School
Hill View Montessori Foundation, Inc.

Report on the Audit of the Combined Financial Statements

Opinions

We have audited the accompanying combined financial statements of the business-type activities of Hill View Montessori Charter Public School (the School) and Hill View Montessori Foundation, Inc. (a nonprofit organization) (collectively, the Organization), as of June 30, 2024, and the related combined statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the combined financial statements, which collectively comprise the Organization's combined financial statements as listed in the table of contents.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the business-type activities of the Organization, as of June 30, 2024, and the respective changes in its combined financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2023 were audited by other auditors whose report dated October 26, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Combined Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7, be presented to supplement the combined financial statements. Such information is the responsibility of management and, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the combined 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 combined financial statements, and other knowledge we obtained during our audit of the combined 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 **datexx** on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Springfield, Massachusetts
datexx

Draft
10/19/24

HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024 and 2023

The following discussion and analysis of Hill View Montessori Charter Public School's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2024, with comparative totals for fiscal year 2023. Please read it in conjunction with the Organization's combined financial statements and related notes, which begin on page 8.

The School as a Whole

The School received its initial charter on February 25, 2003 to operate as a public charter school in the Commonwealth of Massachusetts. The charter is awarded in five-year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts' Board of Elementary and Secondary Education (ESE). The charter expired June 30, 2024, but has been renewed for another five years through June 30, 2029. During both fiscal years 2024 and 2023, the School operated kindergarten through eighth grade and the enrollment was approximately 306 students for both years. The School's charter allows for a maximum enrollment reimbursement of 306 students.

Financial Reporting Entity

As required by generally accepted accounting principles, and in conformance with Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB No. 61, *The Financial Reporting Entity: Omnibus*, GASB No. 80, *Blending Requirements for Certain Component Units*, GASB No. 84, *Fiduciary Activities*, GASB No. 85, *Omnibus 2017*, and GASB No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. GASB No. 84, *Paragraph 7*, was also amended by GASB No.97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Plans, paragraph 5*, the School evaluated its potential component unit and determined Hill View Montessori Charter Public School (the Foundation) is a component unit of the School and should be presented as a blended component unit in the combined financial statement. The School and its blended component unit, the Foundation, are referred to collectively as the Organization.

Using This Annual Report

This annual report consists of a series of combined financial statements. In accordance with GASB No. 34 - *Basic Financial Statement - Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), the Organization is considered a special purpose government entity that engages in only business type activities. All of the financial activity of the Organization is recorded in an enterprise fund within the proprietary fund group. In accordance with GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the School issues a *Combined Statement of Net Position, a Combined Statement of Revenues, Expenses and Changes in Net Position* and a *Combined Statement of Cash Flows*. These statements provide information about the financial activities of the Organization, as a whole. This annual report also contains notes to the combined financial statements and other information which provides additional information that is essential to a full understanding of the information provided in the combined financial statements.

HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

June 30, 2024 and 2023

Financial Statements

The *Combined Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Organization, as of the end of the fiscal year. The *Combined Statement of Net Position* is a point-in-time financial statement. The purpose of the *Statement of Net Position* is to present a fiscal snapshot of the Organization to the readers of the combined financial statements. Assets are resources with present service capacity that the Organization presently controls. Liabilities are present obligations to sacrifice resources that the Organization has little or no discretion to avoid. A deferred outflow of resources is a consumption of net assets by the Organization that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets by the Organization that is applicable to a future reporting period. Net position represents the difference between all other elements in a combined statement of financial position and is displayed in three components – *net investment in capital assets, restricted* (distinguishing between major categories or restrictions), and *unrestricted*.

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The *unrestricted* component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Over time, readers of the combined financial statements will be able to evaluate the Organization’s fiscal health (liquidity and solvency) or financial position by analyzing the increases and decreases in net position to determine if the Organization’s financial health is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions and new or amended charter school legislation when evaluating the overall financial health of the Organization. This statement is also a good source for readers to determine how much the Organization owes to vendors and creditors and the available assets that can be used to satisfy those liabilities.

The *Combined Statement of Revenues, Expenditures and Changes in Net Position* reports the financial activities (revenue and expenses) of the Organization and divides it into two categories: *Operating activities* and *Non-operating activities*. Operating activities include all financial activities associated with the operation of the Organization and its related programs.

HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

June 30, 2024 and 2023

Financial Statements – *continued*

Consequently, all non-operating activities include all financial activities not related to the operation of a charter school. Changes in total net position as presented on the *Combined Statement of Net Position* are based on the activity presented in this statement. This statement helps to determine whether the Organization had sufficient revenues to cover expenses during the year and its net increase or decrease in net position based on current year operations.

The *Combined Statement of Cash Flows* provides information about the Organization’s cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from *operations, investing, and capital and noncapital financing activities* and provides answers to such questions as “from where did cash come?,” “for what was cash used?,” and “what was the change in the cash balance during the reporting period?” This statement also is an important tool in helping users assess the Organization’s ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

Notes to the Combined Financial Statements provide additional information that is essential to a full understanding of the information provided in the Organization’s combined financial statements.

Financial Highlights

The following financial highlights for the Organization are for the years ended June 30, 2024 and 2023:

The Organization held total assets of \$4,833,838 and \$5,253,023 at June 30, 2024 and 2023, respectively, of which \$2,526,829 and \$2,528,440 were net capital assets, respectively. The remaining assets consisted of cash.

The Organization held total liabilities of \$2,383,556 and \$2,458,947 at June 30, 2024 and 2023, respectively. In fiscal years June 30, 2024 and 2023, there were current and non-current liabilities. In 2024, the Organization held \$280,387 in current liabilities and \$2,103,169 in non-current liabilities. In 2023, the Organization held \$251,146 in current liabilities and \$2,207,801 in non-current liabilities.

Total net position for the Organization was \$1,218,428 and \$1,215,969 at June 30, 2024 and 2023, respectively, of which \$317,577 and \$494,399 were investments in capital assets and \$854,059 and \$674,778 were unrestricted, \$38,792 is restricted for future program or capital use and \$8,000 is restricted and nonexpendable.

The Organization earned total revenues of \$5,576,762 and \$5,263,403, (excluding on-behalf pension and in-kind transportation), for the years ended June 30, 2024 and 2023, respectively, of which 92% and 99% were operating revenues for 2024 and 2023.

HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

June 30, 2024 and 2023

Financial Highlights - continued

The Organization had total expenses of \$5,574,303 and \$5,253,547, (excluding on-behalf pension and in-kind transportation), for the years ended June 30, 2024 and 2023, respectively.

The Organization earned net income of \$2,459 and \$9,856 for the years ended June 30, 2024 and 2023, respectively.

Budgetary Highlights

For the fiscal year ended June 30, 2024, the School incurred \$5,574,303 in actual expenditures (excluding on-behalf pension and in-kind transportation), compared to budgeted expenditures of \$ _____. The variance in actual expenditures compared to the budgeted expenditures is \$ _____ is due to _____.

The School budgeted tuition revenue of \$ _____ compared to actual of \$4,775,433. The School takes a conservative approach to budgeting tuition based on the previous years received amounts

School's Financial Activities

The majority of the School's funding is received from the Commonwealth of Massachusetts Department of Elementary and Secondary Education and is based on a standard rate per pupil. The School received \$4,775,433 and \$4,586,117 in per pupil funding in fiscal years 2024 and 2023. This represents 86% and 87% of the School's revenue for the years ended June 30, 2024 and 2023. In addition, the School received various federal and Commonwealth of Massachusetts grants, which totaled \$338,579 and \$500,399 for fiscal years 2024 and 2023.

Other Financial Factors

The Foundation has a loan agreement with the Massachusetts Development Finance Agency (MDFA) and a bank. The outstanding balance of the loan was \$2,209,216 and \$2,310,273 at June 30, 2024 and 2023 respectively. The proceeds were utilized to finance the acquisition and renovation of 75 Foundation Avenue, Haverhill, which is leased to the School through a 30-year lease agreement with the Foundation. The lease requires monthly lease payments of \$15,145, terminates on August 31, 2040 and is renewable automatically every five-years.

Contacting the School's Financial Management

This financial report is designed to provide the reader with a general overview of the School's finances and to show the accountability for the funds received. If you have questions about this report or need additional financial information, contact the Business Office of the School.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

COMBINED STATEMENT OF NET POSITION

June 30, 2024

with summarized comparative totals for June 30, 2023

	Hill View Montessori Charter Public School	Hill View Montessori Foundation Inc.	Memorandum Only - Total Primary Government 2024	Memorandum Only - Summarized Comparative Totals 2023
ASSETS				
Current Assets				
Cash and cash equivalents.....	\$ 2,084,293	\$ 88,415	\$ 2,172,708	\$ 2,611,159
Tuition and grants receivable.....	91,877	2,700	94,577	18,605
Prepaid expenses.....	39,724		39,724	94,819
Total current assets.....	2,215,894	91,115	2,307,009	2,724,583
Capital assets, net.....	553,861	1,972,968	2,526,829	2,528,440
TOTAL ASSETS.....	\$ 2,769,755	\$ 2,064,083	\$ 4,833,838	\$ 5,253,023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current Liabilities				
Accounts payable.....	\$ 96,058	\$ 9,200	\$ 105,258	\$ 36,469
Accrued expenses.....	66,397	2,685	69,082	112,205
Current portion of notes payable.....		106,047	106,047	102,472
Total current liabilities.....	162,455	117,932	280,387	251,146
Noncurrent Liabilities				
Notes payable, net of current portion.....		2,103,169	2,103,169	2,207,801
Related party (payables)/receivables.....	236,284	(236,284)		
Total noncurrent liabilities.....	236,284	1,866,885	2,103,169	2,207,801
TOTAL LIABILITIES.....	398,739	1,984,817	2,383,556	2,458,947
Deferred Inflows of Resources				
Advances for future periods.....	1,229,104	2,750	1,231,854	1,578,107
Net Position				
Unrestricted.....	785,543	68,516	854,059	674,778
Net investment in capital assets.....	317,577		317,577	494,399
Restricted - expendable.....	38,792		38,792	38,792
Restricted - nonexpendable.....		8,000	8,000	8,000
Total net position.....	1,141,912	76,516	1,218,428	1,215,969
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION.....	\$ 2,769,755	\$ 2,064,083	\$ 4,833,838	\$ 5,253,023

See notes to combined financial statements.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION**

for the year ended June 30, 2024

with summarized comparative totals for June 30, 2023

	Hill View Montessori Charter Public School	Hill View Montessori Foundation Inc.	Memorandum Only - Total Primary Government 2024	Memorandum Only - Summarized Comparative Totals 2023
Operating revenues				
Tuition.....	\$ 4,775,433		\$ 4,775,433	\$ 4,586,117
Federal and state grants.....	338,579		338,579	500,399
On-behalf fringe benefits.....	668,167		668,167	501,502
In-kind transportation.....				33,900
Program fees and other.....				110,856
Total operating revenues.....	<u>5,782,179</u>		<u>5,782,179</u>	<u>5,732,774</u>
Operating expenses				
Salaries.....	3,610,871		3,610,871	3,411,487
On-behalf fringe benefits.....	668,167		668,167	501,502
Employee benefits.....	281,077		281,077	275,431
Payroll taxes.....	191,616		191,616	151,195
Professional development.....	264,800		264,800	231,585
Facilities and maintenance.....	66,167		66,167	72,983
Depreciation.....	78,028	\$ 126,226	204,254	187,007
Mortgage interest.....		80,678	80,678	83,644
Utilities.....	71,895		71,895	60,354
Insurance.....	81,494		81,494	76,985
In-kind transportation.....				33,900
Food service.....	148,913		148,913	143,109
Classroom supplies and student activities.....	270,106		270,106	268,175
Consulting.....	116,820		116,820	93,083
Professional fees.....	79,456		79,456	71,259
Technology.....	21,326		21,326	27,268
Minor furniture and equipment.....	18,189		18,189	47,411
Related party rent	181,735	(181,735)		
Office and other.....	24,663	127	24,790	4,864
Travel.....	41,851		41,851	47,707
Total operating expenses.....	<u>6,217,174</u>	<u>25,296</u>	<u>6,242,470</u>	<u>5,788,949</u>
Operating loss.....	<u>(434,995)</u>	<u>(25,296)</u>	<u>(460,291)</u>	<u>(56,175)</u>
Nonoperating revenue (expense)				
Fundraising.....		8,281	8,281	27,731
Rental income.....		33,800	33,800	32,985
Contributions/(expense).....	26,930	(9,201)	17,729	(157)
Interest and other income/(expense).....	436,067	(33,127)	402,940	5,472
Total nonoperating revenue (expense).....	<u>462,997</u>	<u>(247)</u>	<u>462,750</u>	<u>66,031</u>
Change in net position.....	28,002	(25,543)	2,459	9,856
Net position, beginning of year.....	<u>1,113,910</u>	<u>102,059</u>	<u>1,215,969</u>	<u>1,206,113</u>
Net position, end of year.....	<u>\$ 1,141,912</u>	<u>\$ 76,516</u>	<u>\$ 1,218,428</u>	<u>\$ 1,215,969</u>

See notes to combined financial statements.

**HILL VIEW MONTESSORICHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

COMBINED STATEMENTS OF CASH FLOWS

for the year ended June 30, 2024

with summarized comparative totals for June 30, 2023

	Hill View Montessori Charter Public School	Hill View Montessori Foundation Inc.	Memorandum Only - Total Primary Government 2024	Memorandum Only - Summarized Comparative Totals 2023
Cash flows from operating activities:				
Receipts from tuition.....	\$ 4,775,433		\$ 4,775,433	\$ 4,586,117
Receipts from federal and state grants.....	265,307		265,307	534,078
Receipts from other sources.....		\$ 110,232	110,232	98,311
Payments for employee compensation and related.....	(3,608,998)		(3,608,998)	(3,838,113)
Payments for supplies and services.....	<u>(2,139,475)</u>		<u>(2,139,475)</u>	<u>(1,251,406)</u>
Net cash (used in) provided by operating activities.....	<u>(707,733)</u>	<u>110,232</u>	<u>(597,501)</u>	<u>128,987</u>
Cash flows from noncapital financing activities:				
Non-operating receipts.....	462,997	42,081	505,078	195,781
Non-operating expenses.....		<u>(42,328)</u>	<u>(42,328)</u>	<u>(129,750)</u>
Net cash provided by noncapital financing activities.....	<u>462,997</u>	<u>(247)</u>	<u>462,750</u>	<u>66,031</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets.....	(202,643)		(202,643)	(166,860)
Proceeds from employee retention credit.....				1,578,107
Principal payments on long-term debt.....		(101,057)	(101,057)	(98,080)
Principal receipts/(payments) on due to/(from).....				15
Net cash (used in) provided by capital and related financing activities.....	<u>(202,643)</u>	<u>(101,057)</u>	<u>(303,700)</u>	<u>1,313,182</u>
Change in cash and restricted cash.....	(447,379)	8,928	(438,451)	1,508,200
Cash and restricted cash, beginning of year.....	<u>2,531,672</u>	<u>79,487</u>	<u>2,611,159</u>	<u>1,102,959</u>
Cash and restricted cash, end of year.....	<u>\$ 2,084,293</u>	<u>\$ 88,415</u>	<u>\$ 2,172,708</u>	<u>\$ 2,611,159</u>
Reconciliation of operating loss to net cash (used in) provided by operating activities:				
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Operating loss.....	\$ (434,995)	\$ (25,296)	\$ (460,291)	\$ (56,175)
Depreciation	78,028	126,226	204,254	187,007
(Increase) decrease in operating assets				
Tuition and grants receivable.....	(73,272)	(2,700)	(75,972)	33,679
Prepaid expenses.....	55,095		55,095	(36,833)
Increase (decrease) in operating liabilities				
Accounts payable	59,589	9,200	68,789	(50,364)
Accrued expenses.....	(43,175)	52	(43,123)	64,218
Advances.....	<u>(349,003)</u>	<u>2,750</u>	<u>(346,253)</u>	<u>(12,545)</u>
Net cash (used in) provided by operating activities.....	<u>\$ (707,733)</u>	<u>\$ 110,232</u>	<u>\$ (597,501)</u>	<u>\$ 128,987</u>

See notes to combined financial statements.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Nature of Organization

The Hill View Montessori Charter Public School (the School) was established on February 25th, 2003 after receiving their charter from the Commonwealth of Massachusetts under Chapter 71 Section 89 of the General Laws of Massachusetts. The School is considered a special purpose governmental entity, and operates as a public school. The School's charter is awarded in five year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts Department of Elementary and Secondary Education (DESE). The School's charter expired June 30, 2024, and has been renewed for another five years through June 30, 2029.

The School's mission is to provide a grade K-8 public education that promotes academic excellence using the Montessori philosophy. In partnership with teachers and parents, children attain high levels of academic, personal, and social achievement and so prepared, become constructive contributors to our community.

Primary Government

- The School operates as a public charter school in Haverhill, Massachusetts and serves approximately 306 students in grades kindergarten through eight. The School is chartered to serve 306 students.
- Hill View Montessori Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization that acts primarily as a fundraising organization to supplement the resources of the School and owns the building that the School operates out of. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Because these restricted resources can only be used by or for the benefit of the School, and the majority of the Foundations financial activity is with the School per the Foundation's bylaws, it is considered a component unit of the School and is presented as a blended component unit.

The School and its blended component unit, the Foundation, are collectively referred to as the Organization.

2. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to accounting principles generally accepted in the United States as applicable to governmental units. The following is a summary of the Organization's significant accounting policies:

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Financial Reporting Entity

As required by generally accepted accounting principles, and in conformance with Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB No. 61, *The Financial Reporting Entity: Omnibus*, GASB No. 80, *Blending Requirements for Certain Component Units*, GASB No. 84, *Fiduciary Activities*, GASB No. 85, *Omnibus 2017*, and GASB No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. GASB No. 84, *paragraph 7*, was also amended by GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Plans, paragraph 5*, the School evaluated its potential component unit and determined Hill View Montessori Foundation, Inc. (the Foundation) is a component unit of the School and should be presented as a blended component unit in the combined financial statements. The School and its blended component unit, the Foundation, are referred to collectively as the Organization.

The reporting entity consists of the School and its blended component unit, the Foundation. The component unit is a legally separate organization for which the board is financially accountable whose nature and significant relationship with the School are such that exclusion would cause the combined financial statements to be misleading or incomplete.

The Foundation was evaluated and is reported as a blended component unit. The blended component unit, although a legally separate entity, is in substance part of the School's operations and therefore, the financial data is combined and reported within the financial data of the primary government.

The Foundation is a non-profit organization that reports under Financial Accounting Standards Board (FASB) accounting standards, including Accounting Standards Codification 958 (ASC 958), *Financial Reporting for Non-Profit Organizations*. As such, certain revenue recognition criteria and financial presentation features are different from GASB revenue recognition and financial presentation features. No modifications have been made to the Foundation's financial information in the reporting entity for those differences.

Financial Statement Presentation

The School, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 - *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments*, is considered a special purpose governmental entity that engages in only business-type activities and is not a component unit of another governmental entity. Therefore, the combined financial statements are prepared using the accrual basis of accounting and all of the activity is recorded in the enterprise fund.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Basis of Accounting

The accrual basis of accounting is used for all governmental entities that operate as business-type entities. Accordingly, revenue is recognized when earned and capital assets and expenditures are recorded when received and incurred, respectively.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Organization has elected to apply the provisions of all relevant pronouncements of Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements except for the reporting of debt issuance costs, which has been recorded in accordance with FASB.

Cash and Cash Equivalents

For the purpose of the Combined Statement of Net Position and the Combined Statement of Cash Flows, the Organization considers all short term investments with an original maturity of three months or less to be cash equivalents.

Grants and Accounts Receivables

Grants and accounts receivables are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience and accounts receivable are written off when deemed uncollectible. At June 30, 2024 and 2023, management considered all grants and accounts receivable to be fully collectible.

Capital Assets

Property and equipment are recorded at cost or at fair market value at the date of donation. Capital assets purchased with a cost or value greater than \$5,000 are capitalized. Depreciation is computed on the straight-line basis using estimated useful lives of 3 years for computer equipment, 3 - 7 years for equipment and furniture, 40 years for building, and the lesser of the useful life or remaining life of the lease for leasehold improvements. Depreciation expense of \$204,254 and \$187,007 was recorded for the years ended June 30, 2024 and 2023, respectively.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the Combined Statement of Net Position will sometimes report a separate section for deferred inflows and outflows of resources. These separate financial statement elements represent an acquisition or disbursement of net position that applies to a future period(s) and so will not be recognized until that time.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Operating Revenue and Expenses

The School - Operating revenue and expenses generally result from providing educational and instructional services in connection with the Organization's principal ongoing operations. The principal operating revenues include tuition and Federal and Commonwealth of Massachusetts grants. Operating expenses include educational costs, administrative expenses, and depreciation on capital assets. All other revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Foundation - Operating revenue and expenses generally result from fundraising on behalf of the School. The principal operating revenues include private grants and contributions. Operating expenses include salaries, professional fees and administrative expenses. All other revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Tax Status

The School was established under a Charter granted by the Commonwealth of Massachusetts Department of Education and operates as part of the Commonwealth of Massachusetts and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and accordingly has no provision for income taxes. The Foundation is also exempt from Massachusetts income taxes, except for income taxes on unrelated business income, if any. For the years ended June 30, 2024 and 2023, the Foundation had no unrelated business income subject to taxes. In addition, contributors to the Foundation qualify for the charitable contribution deduction under Section 170(b)(1)(A). The Foundation has been classified as an organization other than a private foundation under section 509(a)(2).

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability (or tax asset) if the Foundation has taken any uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of June 30, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a tax liability (or tax asset) or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2021.

Use of Estimates

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

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Classification of Net Position

The following are the net position classifications:

- Net Investment in Capital Assets – book value of capital assets net of any related debt.
- Restricted – funds received or committed to specific uses or programs due to externally imposed restrictions for grantors on contributions. Most restricted funds are restricted as to time or use. Some restricted funds are permanently restricted (nonexpendable), and only the earnings on these funds may be appropriated by the Foundation in accordance with Massachusetts state law. As of June 30, 2024 and 2023, there were \$8,000 of restricted nonexpendable funds.
- Unrestricted – portion of funds to support operations.

The Organization applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

In-Kind Contributions

The Organization receives donated services in support of its operations. Donated services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if they were not donated are recorded as in-kind contributions in the combined financial statements. Donated services such as fund-raising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the combined financial statements.

Summarized Comparative Totals

The combined financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2023, from which the summarized information was derived.

3. Deposits with Financial Institutions

The School and the Foundation maintain their cash balances in one financial institution. The balances at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit per financial institution. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk. In addition, the financial depository is a Massachusetts Chartered Savings Bank that maintains additional insurance through the Depositors Insurance Fund (DIF), a private industry-sponsored insurance company.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Deposits with Financial Institutions, Continued

As required by GASB No. 40, Deposits and Investment Risk Disclosures, the following represents a summary of deposits as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
FDIC fully insured deposits - School	\$ 250,000	\$ 250,000
FDIC fully insured deposits - Foundation	88,415	79,487
DIF fully insured deposits - School	617,516	724,415
Uninsured	1,212,789	
	<u>\$ 2,168,720</u>	<u>\$ 1,053,902</u>

4. Capital Assets

Changes in capital assets during fiscal year 2024 are as follows:

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2024</u>
Equipment and furniture	\$ 190,688	\$ 19,801		\$ 210,489
Computer equipment	103,432			103,432
Building	3,865,606			3,865,606
Leasehold improvements	610,470	182,842		793,312
Total capital assets	4,770,196	202,643		4,972,839
Less accumulated depreciation	2,241,756	204,254		2,446,010
Net capital assets	<u>\$ 2,528,440</u>	<u>\$ (1,611)</u>		<u>\$ 2,526,829</u>

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Capital Assets, Continued

Changes in capital assets during fiscal year 2023 are as follows:

	Balance <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/2023</u>
Equipment and furniture	\$ 190,688			\$ 190,688
Computer equipment	103,432			103,432
Building	3,865,606			3,865,606
Leasehold improvements	<u>443,610</u>	<u>\$ 166,860</u>		<u>610,470</u>
Total capital assets	4,603,336	166,860		4,770,196
Less accumulated depreciation	<u>2,054,749</u>	<u>187,007</u>		<u>2,241,756</u>
Net capital assets	<u>\$ 2,548,587</u>	<u>\$ (20,147)</u>	<u>\$</u>	<u>\$ 2,528,440</u>

5. Employee Retention Credit

During fiscal year 2023, the Organization applied for and received employee retention credits of \$1,578,107 from the IRS, which were included in deferred inflows of resources in the statement of net position at June 30, 2023. In 2024, the Organization recorded \$349,000 in the statement of revenues, expenses, and changes in net position, with a remaining balance of \$1,229,104 in deferred inflows of resources in the statement of net position at June 30, 2024.

6. Long-Term Debt

The note is payable to a bank using funds from proceeds from Massachusetts Development Finance Agency (MDFA) revenue bond. The Foundation made monthly payments of principal and interest (3.58%) of \$15,243 through November 15, 2019, at which time the interest rate was re-adjusted. Subsequent to November 16, 2019, the Foundation is making monthly payments of principal and interest (3.49%) of \$15,118 through November 15, 2024. The interest rate will re-adjust every five years thereafter through the maturity date of May 5, 2040. The note is secured by substantially all assets of the Organization and is guaranteed by the School. The School must comply with certain covenants as specified in the agreement. The School was in compliance with the debt service coverage ratio covenant as of June 30, 2024 and June 30, 2023. The note balance was \$2,209,216 and \$2,310,273 for the years ended June 30, 2024 and 2023 respectively. Interest expense was \$80,678 and \$83,644 for the years ended June 30, 2024 and 2023, respectively.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Long-Term Debt, Continued

The long-term debt balances and related activity for the fiscal years June 30, 2024 and 2023 is as follows:

<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts Due</u> <u>Within One Year</u>
\$ 2,310,273	\$ _____	\$ 101,057	\$ 2,209,216	\$ 106,047
<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts Due</u> <u>Within One Year</u>
\$ 2,408,365	\$ _____	\$ 98,092	\$ 2,310,273	\$ 102,472

The annual debt service requirements to maturity, including principal and interest, are as follows:

<u>Years ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 106,047	\$ 75,369	\$ 181,416
2026	109,808	71,608	181,416
2027	113,702	67,714	181,416
2028	117,735	63,681	181,416
2029	121,910	59,506	181,416
2030-2034	677,550	229,530	907,080
2035-2039	806,522	100,558	907,080
2040	155,942	2,561	158,503
	<u>\$ 2,209,216</u>	<u>\$ 670,527</u>	<u>\$ 2,879,743</u>

7. Leases

The School leases its facility from the Foundation (a related party) under a lease agreement, with monthly payments in amounts necessary to fully pay and satisfy all costs and expenses, and other amounts owed by the Foundation. Included in those costs are without limitation, principal and interests payments; late fees; guarantee fees; pre-payment fees; and loan administration and renewal fees, with respect to any and all loans or other obligations undertaken by the Foundation for the purposes of acquiring or improving the premises, until such loans and other obligations have been paid and performed in full.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

Leases, Continued

The School's rental obligation to the Foundation shall be credited for any lease payments received by the Foundation for any portion of the facility that is rented out to another party during the term of the lease. The lease term is renewable every 5 years and the lease expires on August 31, 2040.

The Foundation leases a portion of the facility to an unrelated party. The lease term is from July 1, 2019 until June 30, 2024. Rental payments start at \$2,500 a month for the first year, increasing \$500 each year until expiration of the lease. Rental income was \$33,800 and \$32,985 for the years ended June 30, 2024 and 2023, respectively. **This lease has been renewed.**

In accordance with the lease between the Foundation and the School, commencing in August 2020, any rent received for excluded space in the building is to be credited against the School's rental obligation. During fiscal years 2024 and 2023 the School received rent credits of \$35,200 and \$32,350, respectively.

8. Retirement Plan

The School's teaching staff and certain administrators participate individually in the Massachusetts Teachers' Retirement System (MTRS). All qualified teachers and administrators are covered by and must participate in MTRS. All qualified teachers and administrators who qualify for the plan, along with the School are exempt from federal social security taxes for these employees. Benefits vest fully after 10 years of qualified employment and an employee may receive retirement benefits after 20 years of service or having reached the age of 55 if the participant (1) has a record of 10 years of creditable service, (2) was first employed by the school after January 1, 1978, (3) voluntarily left school employment on or after that date, and (4) left an accumulated annuity deduction in the fund. This retirement plan requires an employee contribution of eight to eleven percent (depending on the plan and the employment date) of their compensation. The MTRS retirement plan, under GASB Statement No.68, *Accounting and Financial Reporting for Pensions*, is required by statute to determine the net pension liability for all participants. The net pension liability for the retirement plan at the June 30, 2023 measurement date was determined by an actuarial valuation prepared as of January 1, 2023 rolled forward to June 30, 2023. The school's share of MTRS net pension liability is \$7,156,109.

Section 403(b) Savings Plan

The school also has a discretionary employee retirement plan pursuant to IRC Section 403(b) (the Code for qualified employees). Employees are eligible to contribute to the plan on their date of hire. Employees contribute to the plan each year within the limits of the Code through salary reduction agreements. Employer contributions vest in accordance with the plan. The School did not make contributions to the plan for the years ended June 30, 2024 and 2023.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

9. On-behalf Payments

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the School is required to recognize its proportional share of pension revenue and expenses, as reported by MTRS, as on-behalf payments in their combined financial statements. As of June 30, 2024 and 2023, the School recognized \$668,167 and \$501,502 of on-behalf revenues and expenses, respectively.

10. Concentration of Revenue

DESE provided 93% and 97% of the funding to the School for each of the years ended June 30, 2024 and 2023, respectively, through a per pupil reimbursement and Federal and Commonwealth of Massachusetts grants.

11. Related Party Transactions

The School has a lease with the Foundation, see note 7.

The Foundation donated to the School \$9,102 and \$13,135 in fiscal years 2024 and 2023, respectively.

At June 30, 2024, the School has an amount due to the Foundation in the amount of \$236,284.

12. Contingencies

Grant Funding

The School is subject to an audit of its Commonwealth of Massachusetts and Federal grants and as such, if determined that funds are not expended in accordance with the grant agreements, the grantor agency has the right to recapture these funds. Therefore, final acceptance of costs incurred under these grants and contracts resides with the grantors. As of the date of these financial statements, the materiality of adjustments to final costs, if any, cannot be determined and management does not anticipate any adjustments.

Cumulative Surplus Revenue

Effective July 1, 2010 any cumulative surplus revenue generated by the School must comply with M.G.L. Chapter 71, Section 89 (as amended by Chapter 12 of the Acts of 2010 under Section 7 (hh)). In accordance with this legislation and subsequent DESE regulations, if the School's cumulative surplus revenue, as defined, exceeds 20% of its operating budget and its budgeted capital costs for the succeeding fiscal year, the amount in excess of said 20% shall be returned by the School to the sending district or districts and the Commonwealth in proportion to their share of tuition paid during the fiscal year. Management does not anticipate any repayment for fiscal year 2024.

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

13. Donated Transportation

The School received \$_____ and \$33,900 in donated transportation from the City of Haverhill for the years ended June 30, 2024 and 2023, respectively.

14. Deferred Outflows/Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents revenue that applies to a future period and will not be recognized until that time. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are unearned by the School and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the School has a legal claim to the resources, the deferred inflow of resources is removed and revenue is recognized. Deferred inflows of resources at June 30, 2024 relate to the employee retention credits in the amount of \$1,229,104 (2023 - \$1,578,107), see note 5. The remaining balance of \$2,750 at June 30, 2024 relates to grant revenue.

15. Reclassification

Certain items in the 2024 financial statements have been reclassified between the School and the Foundation.

16. Subsequent Events

The Organization has evaluated subsequent events through DATEXX, which is the date the combined financial statements were available to be issued.

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

To the Board of Trustees of
Hill View Montessori Charter Public School
Hill View Montessori Foundation, Inc.

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 combined financial statements of the business-type activities of Hill View Montessori Charter Public School and Hill View Montessori Foundation, Inc. (collectively, the Organization), as of and for the year ended June 30, 2024, and the related notes to the combined financial statements, which collectively comprise the Organization's combined financial statements, and have issued our report thereon dated DATEXX.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's combined financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Springfield, Massachusetts
DATEXX

Draft
10/19/24

**HILL VIEW MONTESSORI CHARTER PUBLIC SCHOOL and
HILL VIEW MONTESSORI FOUNDATION, INC.**

SUMMARY SCHEDULE OF AUDIT FINDINGS

for the year ended June 30, 2024

Current Year – 2024

There were no audit findings to report.

Prior Year - 2023

There were no audit findings to report.

Draft
10/19/24

ACCEPTANCE OF THE BOARD OF TRUSTEES

We, the Board of Trustees of Hill View Montessori Charter Public School and Hill View Montessori Foundation, Inc. or its designee, have voted to accept the representations of management and the expression of the opinions made by MP, P.C. as embodied in the combined financial statements and independent auditors' reports for the years ended June 30, 2024.

We also certify that the representations made by management and the disclosures in the combined financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and the Commonwealth of Massachusetts Charter School Audit Guide for the periods ended June 30, 2024.

Board President or Treasurer or Other Designated Person

datexx
Date

Coversheet

Approve Minutes

Section: I. Opening Items
Item: E. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: HVMCPS Board Minutes Draft Sept 26, 2024.pdf



**Meeting Minutes
Board of Trustees**

7:00 pm @ 75 Foundation Ave., Haverhill MA 01835

Members present; *Veronica Guzman, Treasurer/Finance; Allysha Roth, Trustee/Accountability; Jennifer Edokpolor Trustee/Committee on Trustees; Sarah Brush, Trustee/Development; Kristin Laureano, Trustee/Accountability; Phil Arnold, Executive Director, ex officio*

Members not present; *Jeff Hood, Chair; Ryan Turner, Vice Chair*

Public in attendance; *Mike Mizzoni, Jeff Landry (Trustee-elect), Paul Carelis (Trustee-elect, clerk)*

1) The meeting was called to order at 6:35 p.m.

2) Public comment: No public comment

3) Meeting Minutes Review

August meeting minutes voted to approve.

Motion: Veronica Guzman 2nd Sarah Brush

Approved: All present.

Accountability and Enrollment Plans:

Phil presented the accountability plan as reviewed by DESE (Ester at DESE, Hannah from HVM). This included the required Objectives and Measures

-DERS Assessment scores of 4 or higher by all classrooms/grade levels

-Enrolling at least 6 community members from underserved communities into Montessori orientation course

-100% of 7th grade students at or above 50th percentile on Star Math Assessment

-Questions: Allysha: Should 8th grade also be included? Questions surrounding if middle school reading should also be measured under the plan

- 36% students in grades 1-6 scoring “low-risk” on DIBELS assessment

-100% of lead teachers receive full coaching cycle

- Staff Survey with 80% response rate, 90% agreement on satisfaction with support received

-2 montessori development trainings per year

-Montessori literacy lesson for selected teachers and personnel Haverhill Public School district

-Montessori Numeracy lesson to teachers, academic personnel in Haverhill Public School District

-

Vote on approval of 2024-2029 Accountability Plan

Motion to conditionally accept plan based on clarification of KDE 2, Measure 1 to include 8th grade in data gathered. If not, approve as is

Motion: Sarah Bruch

Seconded: Kristen Laureano

Approved: All in attendance

Review of HVMCPS Revised Enrollment Policy

Phil reviewed changes recommended by DESE in regards to Enrollment Policy. These changes included clarification on language regarding homelessness, sibling relationships, and grounds for rescinding offers of admission, timelines for substantiating proof of residency

Questions: Veronica: Who is HVM's homelessness liaison? Answer: It is Phil. Definition of homelessness is defined federally. Have not had many instances.

Vote to approve

Motion Allysha 2nd Sarah

Approved: All present

4) New Business

Email from PTO: Fundraiser at River St Café Today, Pumpkin event at Crescent Farm 10/4, donation of 14 trees to school.

Brief discussion surrounding board goals and bylaws. Discussed succession plan and whether it is standalone or part of the general bylaws. Tabling discussion until Chair and Vice Chair are present

Roof update

Phil provided update from professional assessment. Roof is in great shape and under warranty. Small moisture issue that can be addressed, other normal wear & tear. Some amendments to roof recommended to avoid pooling and other concerns. 2 options to address issues and new HVAC system
1) New roof replacement, 2) Roof resealing. Foundation voted for resealing based on warranty, timeline, expense, and time remaining on building mortgage.

5) ED Report:

Phil spoke to importance of the ED report speaking to DESE priorities

-Tuition budgeting was very close to what was forecast.

-Enrolled at 306 students, 1 withdrawn,

- MCAS scores released last Tuesday. DESE webinar: Scores did not show as much improvement as they had hoped. DESE chalked this up to continuing effects of remote learning.

-International Day of Peace was a successful event. Mayor Barrett was present and spent time with the children afterwards, also visited some classrooms and read a book. Mayor also received a tour of the building. Sarah Brush was at event and confirmed that it was an impressive event.

Post Charter renewal monitoring: State is making sure that school is not taking eye off of the ball, several of the items have been accomplished already and all is on track.

Foundation approved planting trees. They have been selected and ordered.
7TH graders will be attending a 4 day, 3-night overnight trip in Vermont.

Questions Jeff Landry: How is fundraising going? Phil will check with team

7) Committee on Trustees Update: Jeff will remain as chair, Ryan as Vice chair (term is ending mid-year), other positions remaining as-is. Sandra resigned.

VOTE to approve assignments

Motion: Sarah Brush 2nd Veronica

Approved: all present

Jeff Hood sent an email reminding board of expectations regarding professionalism, especially at parties and public events. Reminder to not disclose confidential board matters

Request to donate to foundation

8) Development Update

Sarah: Working on an Alumni group formation; May be able to help with anniversary recognition/party as well. Researching options on participation in chamber of commerce events

Anniversary party: Spoke with city about options. Winnekinni park is a strong option; Targeting May 2025. Trying to keep low/no-cost

Veronica suggested exploring NECC as well.

9) Finance Update

Veronica: Highlights of fiscal year thus far:

-Timing is causing any variances with budget vs forecast

- Accounting company looking to take over grant writing (cost savings)

-Increased cost in teacher trainings due to new vendor

-Rent will increase in December, but improving interest rate should mitigate

-Cashflow: Tight, running deficit when not factoring in ERTC funds. Recommended pushing discretionary spending until end of year if possible.

\$700 in donations offset \$880 teacher recognition lunch.

10) Next Meeting October 24 at 6:30

11) Adjourn Meeting

Motion to adjourn: Kristen, 2nd Sarah

Approved: All in attendance

List of Documents and/or Exhibits Presented as Part of the Digital Board Packet for this Meeting:

- September 2024 Board Meeting Agenda
- August 2024 Meeting Minutes for review and vote to approve
- 2024-2029 Accountability Plan
- Revised HVMCPS Enrollment Policy
- ED Report
- Financials

Coversheet

Executive Director Report

Section: II. Updates
Item: C. Executive Director Report
Purpose: FYI
Submitted by:
Related Material: Executive Director's Report October 24, 2024.pdf



75 Foundation Avenue Haverhill, MA 01835

www.hillviewmontessori.org

978.521.2616

Board of Trustees Meeting – October 24th, 2024

Executive Director’s Report

School Funding for FY25

DESE provided a Q1 tuition projection on 8/7. Presently, the Q1 projection aligns with HVM’s FY25 budget for projected tuition revenue.

Personnel

There are no positions currently open.

Enrollment

As of 10/21/2024, enrollment was at 306 students (out of a budgeted total enrollment of 306).

Current waitlist numbers:

<i>Waitlist as of 10/21/24</i>	
<i>K</i>	<i>73</i>
<i>1</i>	<i>26</i>
<i>2</i>	<i>36</i>
<i>3</i>	<i>30</i>
<i>4</i>	<i>22</i>
<i>5</i>	<i>11</i>
<i>6</i>	<i>14</i>
<i>7</i>	<i>13</i>
<i>8</i>	<i>8</i>
<i>Total</i>	<i>233</i>

Since the last board meeting (9/26/24), one student has withdrawn from HVM:

- Grade 3 – family reported that the child missed their friends from their previous school

Summer 2025 Capital Project

The OPM is anticipating a finalized building assessment report, a schematic design and a cost estimate reflecting the recoating option for the roofing from CSS Architects by Monday, October 28th.

MCAS/DESE Accountability

Here is the link to DESE’s [Accountability Report](#) for Hill View Montessori. And here is the link to DESE’s [Assessment Report](#) for HVM’s 2024 MCAS scores.

Overall, DESE indicates for HVM’s Accountability as:

- HVM is “*Not requiring assistance or intervention*”
- HVM’s “*Progress toward improvement targets*”: 52%
- HVM is making “*Substantial progress toward targets*” (which is the reason for the aforementioned classification)
- HVM’s “*Cumulative Criterion-referenced target percentage*”: 52% (DESE’s target percentage was 48%)
- HVM’s “*Accountability percentile*”: 25%

Percentage of Students at Each Achievement Level

- HVM’s “*Meeting or Exceeding Expectations*” percentages per grade and subject:

○ Grade 3 ELA – 30%	○ Grade 3 Math – 15%
○ Grade 4 ELA – 13%	○ Grade 4 Math – 9%
○ Grade 5 ELA – 18%	○ Grade 5 Math – 9%
○ Grade 6 ELA – 17%	○ Grade 6 Math – 7%
○ Grade 7 ELA – 26%	○ Grade 7 Math – 18%
○ Grade 8 ELA – 25%	○ Grade 8 Math – 3%

- HVM’s “*Partially Meeting Expectations*” percentages per grade and subject:

○ Grade 3 ELA – 58%	○ Grade 3 Math – 33%
○ Grade 4 ELA – 66%	○ Grade 4 Math – 56%
○ Grade 5 ELA – 67%	○ Grade 5 Math – 56%
○ Grade 6 ELA – 63%	○ Grade 6 Math – 77%
○ Grade 7 ELA – 53%	○ Grade 7 Math – 67%
○ Grade 8 ELA – 56%	○ Grade 8 Math – 84%

- HVM’s “*Not Meeting Expectations*” percentages per grade and subject:

○ Grade 3 ELA – 12%	○ Grade 3 Math – 52%
○ Grade 4 ELA – 22%	○ Grade 4 Math – 34%
○ Grade 5 ELA – 15%	○ Grade 5 Math – 34%
○ Grade 6 ELA – 20%	○ Grade 6 Math – 17%
○ Grade 7 ELA – 21%	○ Grade 7 Math – 15%
○ Grade 8 ELA – 19%	○ Grade 8 Math – 13%

- HVM's Average SGP (*Student Growth Percentage*) for each grade and subject:
 - Grade 4 ELA – 47%
 - Grade 5 ELA – 40%
 - Grade 6 ELA – 50%
 - Grade 7 ELA – 49%
 - Grade 8 ELA – 47%
 - Grade 4 Math – 30%
 - Grade 5 Math – 38%
 - Grade 6 Math – 61%
 - Grade 7 Math – 60%
 - Grade 8 Math – 52%

The results are disappointing, overall, with a few positive areas. (For some additional context, DESE reported similar disappointing scores, statewide, for almost all districts and charter schools across the state.)

Opportunities for growth / areas of improvement include:

- Identify ELA and Math state academic standards on MCAS exam that HVM students demonstrated significant deficiencies
 - Determine if deficiencies reflect a gap in HVM ELA or Math instruction (per grade level; across multiple grade levels; individual classrooms)
 - Determine if deficiencies reflect a lack of meaningful practice for HVM students for specific skills or academic content (per grade level; across multiple grade levels; individual classrooms)
 - Determine if deficiencies reflect a lack of exposure to MCAS question format, structure, and/or language (per grade level; across multiple grade levels; individual classrooms)
- Identify if manner in which school-based assessments (DIBELS; Star Math) being conducted is appropriate and providing valid data
 - Example: Students listening to Star Math assessment questions vs. reading Star Math assessment questions
- Identify areas for targeted professional development both in-house PD and outside PD resources

Laps for Logan

Last month, we lost Logan M., a beloved member of the HVM school community, to cancer. In early November, we are bringing students, faculty, and families together to celebrate Logan M. and to raise funds in his honor. On the afternoon of Thursday, November 7th (rain date: November 8th), HVM will be hosting a **Laps for Logan** Walk-a-Thon at the school, with all proceeds going to the Dana Farber Cancer Institute and The Jimmy Fund.

While our Kindergarten and Lower Elementary Students will not be walking in the event, they will be making encouraging signs ahead of time and cheering for our older students during the

Walk-a-Thon! If you are a parent of one of our younger students, please consider making a flat rate donation in their name.

We'd love to have you, HVM Board members present at HVM during the Walk-a-Thon to cheer on our walkers! The more laps they complete, the more money that can be raised in Logan M's honor. More details about the start and end time for our ***Laps for Logan*** event will be provided soon.

Attached, please find a [Pledge Form for our Laps for Logan event](#). Please consider sponsoring an Upper Elementary or Middle School student (your own or someone else's!), based on the number of laps they complete around the Hill View Montessori building. Or, please consider making a flat rate donation in Logan M's honor.

NOTE: All pledge forms are due by Thursday, October 31st. All donations should be sent in by Friday, November 15th.

NOTE: A donation may also be made directly through Venmo: @HVMSchool



Thank you for helping us put together a meaningful event to honor Logan M and to raise money for the Dana Farber Cancer Institute and The Jimmy Fund!

Grounds Beautification

The next time you visit HVM during the daytime, you may notice several new trees planted around the perimeter of the building. These trees were provided to HVM for free by the Massachusetts [Department of Conservation and Recreation](#) ("DCR") as part of its [Greening the Gateway Cities](#) program. In the coming years, some of these trees will provide lovely blossoms in the springtime while some of the other trees will provide much-needed shade on the days when the sun is shining bright and hot.

NOTE: If you are a resident of Haverhill, you are most likely eligible to have some trees planted -- for free! -- for you and your neighbors, even if you live in an apartment! For more information, please call this number: (617) 626-1516.

Special Thanks*:** A very special heartfelt thank you goes out to ***Francesca Buck (Maffezzoli), HVM parent and HVM PTO co-chair, for reaching out the Greening the Gateway Cities folks at DCR and bringing them to Hill View Montessori. We wouldn't have these new trees if it weren't for Francesca's efforts. Whenever you see the [Magnolia tree](#) blooming wildly in the front of the school, please remember that it is there because of Francesca Buck. *****THANK YOU***, FRANCESCA!!!**

Respectfully submitted,

Phil Arnold, MSW
Executive Director

Coversheet

Committee on Trustees

Section: II. Updates
Item: E. Committee on Trustees
Purpose: Discuss
Submitted by:
Related Material: HVMCPS Board of Trustees Goals for 24-25.pdf

HVMCPS Board of Trustees Goals for 24/25

Revised bylaws. Chair.

Contract renewal ED. Driven by Chair, all.

From the DESE documented school re-certification process, mandated goals include

Create a product: data set to be consumed that allows the Board to demonstrate more comprehensive oversight of the academic performance. This could be created in collaboration with Phil/Hanna/Ginger/other? This would allow the board to demonstrate oversight of the school's academic performance, which should be reflected in meeting minutes and include evidence that academic performance data is regularly presented AND discussed. MCAS October. Larger schedule with other data to be consumed (Math/Reading/Disaggregated data) and discuss the academic performance data. DESE requirement. (Let's use the Linkit replacement). Accountability

Dissemination! *HVMCPS reported that it did not meet a majority of the goals in its Accountability Plan.* DESE requirement. ED.

Board succession planning: establish 2+ non-voting members for each committee, as a recruiting, and resources to get things done. DESE requirement. All.

Board ED succession planning: multiple scenario's .. unexpected transition, one year transition. DESE requirement. Chair drive, all.

Strategic and continuous improvement planning. Continuing to improve the quality of staffing (well trained), Continue to improve our academic progress in primary subjects. DESE requirement. Chair drive, all.

Maintain "low" status across all DESE Risk benchmarks for the related financial metrics for the school, ED.

**** budget, add sinking fund for the eventual next roof replacement requirements,**

Coversheet

Finance

Section: II. Updates
Item: G. Finance
Purpose: FYI
Submitted by:
Related Material: Hill View_Sept 2024_Financial Statements.pdf
FY25_HVMCPS_CashFlowForecast_9.30.24.pdf

Hill View Montessori
FY2024 Budget to Actual
Sep-24

	FY25 Approved Budget	YTD Budget	YTD Actuals	\$ variance Budget to Actual	% variance Budget to Actual	Notes
Enrollment	306		306			
Tuition Rate	16,249		16,250			
REVENUE						
Tuition	4,972,160	1,243,040	1,243,126	86	0%	
Federal Funds						
Grants	168,922	18,769	-	(18,769)	-11%	Entitlement Grants in process
ERATE	13,560	3,390	1,545	(1,845)	-14%	
ERTC Funds		-	-	-	0%	
Private Grants	10,000	2,500	-	(2,500)	-25%	
Other Sources			10	10		
Individual Contributions	-	-	-	-	0%	
Nutrition	125,000	13,889	11,619	(2,270)	-2%	
Fundraiser Income	10,000	2,500	-	(2,500)	-25%	
Interest Income	15,000	3,750	1,044	(2,706)	-18%	
Total Revenue	5,314,642	1,287,838	1,257,344	(30,494)	-1%	
EXPENSES						
Employee Benefits	310,199	77,550	57,177	(20,373)	-7%	Plan came in lower than budget
Workers Comp. Insurance	35,036	8,759	2,061	(6,698)	-19%	
Salaries & Wages	3,503,614	875,904	923,406	47,503	1%	Includes non-recurring summer projects, additional FTE, changes in anticipated attrition
Payroll Tax	175,181	43,795	49,179	5,384	3%	
Total Personnel	4,024,030	1,006,008	1,031,824	25,816	1%	
Contracted Services Technology	40,000	10,000	8,838	(1,162)	-3%	
Supplies & Materials Adm	17,000	4,250	3,753	(497)	-3%	
Supplies & Materials IT	2,500	625	8,892	8,267	331%	Non-recurring license and access point upgrades
Dues, Subscriptions & Other Exp -Admin	46,551	11,638	7,436	(4,201)	-9%	
Fingerprinting/Cori's		-	290	290	0%	
Contracted Services Audit	21,000	21,000	16,200	(4,800)	-23%	Timing of progress billing
Contr Serv - Legal	500	125	1,080	955	191%	
Contracted Services Human Resources	44,720	11,180	16,146	4,966	11%	Timing of projects
Contr Serv - Business & Finance	60,000	15,000	14,073	(928)	-2%	Audit work
Total Admin	232,271	73,818	76,708	2,891	1%	
Contr Serv - Other Teaching	146,000	36,500	24,348	(12,152)	-8%	Northeast Rehab - lower billing in Jul-Aug
Furniture & Equipment	2,500	625	3,647	3,022	121%	Timing of ordering supplies for school year
Instructional Copier Lease	9,240	2,310	3,434	1,124	12%	
Supplies (General, Montessori, SPED)	65,000	16,250	6,362	(9,888)	-15%	
Contr Serv - Prof. Development	150,420	37,605	59,656	22,051	15%	Summer PD, timing of tuition reimbursements
Contr Serv - Montessori Teacher Training	30,000	7,500	9,449	1,949	6%	
PD Travel & Other Exp.	15,000	3,750	1,238	(2,512)	-17%	
Instructional Software Expense	13,687	3,422	1,145	(2,277)	-17%	
Instructional Hardware	500	125	-	(125)	-25%	
Total Instructional	432,347	108,087	109,279	1,192	0%	
Field Trips/Student Clubs - (net)	20,000	2,000	1,708	(292)	-1%	
Nurse/Athletic/Food/Other Activities	10,000	1,000	2,179	1,179	12%	
Nutrition Program	132,600	22,100	20,704	(1,396)	-1%	
Fundraising	2,000	-	-	-	0%	
Total Student Services	164,600	25,100	24,591	(509)	0%	
Maint. of Buildings & Permits	25,995	6,499	18,994	12,495	48%	Timing of projects
Utilities	82,000	20,500	24,182	3,682	4%	
Maintenance supplies	20,000	5,000	2,161	(2,839)	-14%	
Capital Lease-Bld Rent Interest	44,430	11,108	11,552	445	1%	
Insurance (Non-Employee)	46,467	11,617	14,256	2,639	6%	
Networking & Communications	18,000	4,500	4,022	(478)	-3%	
Total Facility & Other Fixed Costs	236,892	59,223	75,168	15,945	7%	
Total Expenses	5,090,140	1,272,235	1,317,570	45,335	1%	
Net Operating Income	224,502	15,603	(60,226)	(75,829)	-34%	
Depreciation	204,000	51,000	51,419	419	0%	
Total Other Expenses	204,000	51,000	51,419	419	0%	
Net Other Income	(204,000)	(51,000)	(51,419)	(419)	0%	
Net Income	20,502	(35,397)	(111,645)	(76,248)		

Hill View Montessori
Statement of Financial Position

	Sep-24	
ASSETS		
Current Assets		
1072 Bill.com Money Out Clearing	10,148	
1010 Pentucket Checking 3361	549,569	
1031 Playground Reserve Fund 9259	96	
1040 Petty Cash	620	
1045 Pentucket Money Market 9346	181,761	
Total Bank Accounts	742,193	
TreasuryDirect	1,233,479	
Total Investments	1,233,479	
1200 Accounts Receivable	18,923	Grants, Nutrition
1201 Grants Receivable	-	
1210 Due from HVM Foundation	1	
Total Accounts Receivable	18,923	
1352 Prepaid Rent	12,345	
1353 Prepaid Expense	49,466	
Total Prepaid Expenses	61,810	
Total Other Current Assets	61,810	
Total Current Assets	2,056,405	
Fixed Assets		
1611 Leasehold Improvements-Cost	727,285	
1615 Accum. Depr.-Leasehold Improve	(223,653)	
Total Leasehold Improvements-Net	503,631	
1621 Furniture & Equipment-Cost	313,920	
1625 Accum. Depr.-Furniture & Equipment	(295,886)	
Total Furniture & Equipment - Net	18,034	
1671 Capital Lease-Building	3,786,775	
1673 Accum Depr-Cap Lease Building	(1,845,363)	
Total CapLease Building&Improvements	1,941,412	
1681 Playground - Cost	144,861	
1682 Accum.Depr.- Playground	(132,529)	
Total Playground-Net	12,333	
Total Fixed Assets	2,475,410	
1900 Security Deposits	-	
Total Other Assets	-	
TOTAL ASSETS	4,531,815	
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
2000 Accounts Payable	23,564	
Total Accounts Payable	23,564	
1055 Visa Chase Credit Card - 7068	(3,726)	
Total Credit Cards	(3,726)	
Other Current Liabilities		
2019 Current Lease Liability	(25,732)	
2101 W/H EE Fed/State taxes	309	
2106 403 (b) payable	6,188	
2107 Mass Teachers Retirement Fund	28,708	
2110 Pledges w/h	-	
2115 P/R Clearing	-	
Total Payroll Liabilities	35,205	
2301 Accrued Salaries and Wages	23,976	
2305 Accrued expense	5,500	
Total Accrued Expenses	29,476	
2400 Deferred Revenue	1,229,104	ERC Credits
2700 PTO pass through	6,725	
2701 Due to Foundation	-	
Other Current Liabilities	4,941	
Total Other Current Liabilities	1,279,719	
Total Current Liabilities	1,299,557	
Long-Term Liabilities		
2021 Capital Lease Payable-Principal	2,234,796	
Total Long-Term Liabilities	2,234,796	
Total Liabilities	3,534,353	
Equity		
3300 Retained Earnings	1,109,107	
Net Income	(111,645)	
Total Equity	997,462	
TOTAL LIABILITIES AND EQUITY	4,531,815	

Financial Dashboard
Based on FY2025 Financials and Projections

Financial Metric

	FY25	FY24	FY23	FY22	FY21	FY20	
1. Current Ratio (based on current actuals) <i>measures operational efficiency and short-term financial health</i> <i>CR is calculated as current assets divided by current liabilities</i>	1.6	1.6	1.5	8.5	6.4	4.3	*as of current financials
<i>*12.0 w/o ERC defe *12.0 w/o ERC deferred revenue liability</i>							
2. Unrestricted Days Cash (based on current cash/forecasted YE expenses) <i>indicates how many days a school can pay its expenses without another inflow of cash</i> <i>Calculated as Cash and Cash Equivalents divided by ((Total Expenses-Depreciation)/365)</i>	55	64	69	81	77	109	*current cash/forecasted exp
3. Percentage of Program Paid by Tuition <i>measures the percentage of the school's total expenses that are funded entirely by tuition</i> <i>Calculated as (Tuition + In Kind Contributions) divided by Total Expenses</i>	94%	90%	92%	90%	88%	95%	*forecasted FY24
4. Percentage of Program Paid by Tuition and Federal Grants <i>measures the percentage of the school's total expenses that are funded by tuition and Federal Grants</i> <i>Calculated as (Tuition + In Kind Contributions + Federal Grants) divided by Total Expenses</i>	91%	90%	99%	98%	98%	98%	*forecasted FY24
5. Percentage of Total Revenue Expended on Facilities <i>measures the percentage of Total Revenue spent on operations & maintenance and Non-Operating Financing expenses of Plant</i> <i>calculated as Operation & Maintenance plus Non-Operating Financing Expenses of Plant divided by Total Revenues</i>	6%	4%	9%	9%	10%	12%	*forecasted FY24
6. Debt to Asset Ratio <i>measures the extent to which the school relies on borrowed funds to finance its operations</i> <i>calculated as Total Liabilities divided by Total Assets</i>	0.78	0.77	0.78	0.7	0.71	0.76	*as of current financials

	306	306	306	304	306	306	
Enrollment							
Total Revenues	1,257,344	5,541,809	5,274,110	4,758,272	4,166,366	3,816,239	
Total Expenditures	1,368,989	5,539,350	5,267,687	4,691,192	4,008,540	3,846,566	
Total Net Position	(111,645)	2,459	6,422	67,080	157,826	(30,327)	
Net Position Percentage <i>measures a school's cash management efficiency</i> <i>. Calculated as Total Net Assets Divided by Total Expenditures</i>	-8.16%	0.04%	0.1%	1.4%	3.9%	-0.8%	*forecasted FY24

Hill View Montessori Foundation
Statement of Activities

Sept 2024 YTD

Income	
4100 Fundraising Revenues	
4160 Events	
4165 Events Expense	
Total 4160 Events	-
4170 Donations	160
Total 4100 Fundraising Revenues	160
4500 Rental Income	8,250
4520 Rental Income - Gym	-
4550 Interest Income- HVMS Cap Lease	19,747
Total Income	28,157
Gross Profit	28,157
Expenses	
5201 School Support	180
5351 Interest Expense on Loan	19,385
5600 Office Expenses	
5601 Supplies	
5605 Bank/PayPal Fees	-
Total Expenses	19,565
Net Operating Income	8,591
Other Income	
7010 Interest on savings acct.	171
7012 Other Income	-
Total Other Income	171
9990 School Credit Offset-Rental Inc	8,200
Total Other Expenses	
Net Other Income	(8,029)
Net Income	562

Hill View Montessori Foundation
Statement of Financial Position

	Sep-24
ASSETS	
Current Assets	
Bank Accounts	
1010 Checking Main Account 8071	31,567
1020 Money Market 7059	54,299
Total Bank Accounts	85,866
Accounts Receivable	
1200 Accounts Receivable	2,700
1220 Principal Note Inc-HVMSCapLease	2,209,108
Total 1200 Accounts Receivable	2,211,808
Total Accounts Receivable	2,211,808
Total Other Current Assets	-
Total Current Assets	2,297,674
Fixed Assets	
Total Fixed Assets	-
Total Other Assets	-
TOTAL ASSETS	2,297,674
LIABILITIES AND EQUITY	
Liabilities	
Other Current Liabilities	
2100 Due to HVM Charter School	9,201
2200 Security Deposit	2,683
2300 Accrued Expenses	-
2400 Deferred Revenue	-
Total Other Current Liabilities	11,884
Total Current Liabilities	11,884
Long-Term Liabilities	
2710 Building Bonds - Loan Principal	2,183,168
Total Long-Term Liabilities	2,183,168
Total Liabilities	2,195,052
Equity	
3400 Unrestrict (retained earnings)	102,060
Net Income	562
Total Equity	102,622
TOTAL LIABILITIES AND EQUITY	2,297,674

**Hill View Montessori
FY 2025 Cash Forecast**

	Actuals FY24 Jun-24	Actuals FY25 Jul-24	Actuals FY25 Aug-24	Actuals FY25 Sep-24	Forecast FY25 Dec-24	Forecast FY25 Mar-25	Forecast FY25 Jun-25
Cash Inflows							
Tuition	796,654		828,737	414,389	414,389	414,389	414,389
Title I		23,025			21,115	21,115	21,115
Title IV		4,000					
IDEA 240		13,105					
SPED OTHER		1,583	7,542				
Teach Div 253		9,631					
Other Deposits	759	667	18,537	2,481			
Nutrition		21,707		4,977	12,500	12,500	12,500
Cash Outflows							
Payroll cash out	(205,180)	(209,519)	(216,119)	(217,989)	(217,989)	(217,989)	(217,989)
PR Taxes	(62,232)	(58,785)	(60,100)	(61,295)	(61,000)	(61,000)	(61,000)
Health Insurance	(35,439)	(35,625)	(35,650)	(33,130)	(33,130)	(33,130)	(33,130)
MTRS	(21,700)	(21,397)	(21,500)	(23,433)	(21,500)	(21,500)	(21,500)
Rent	(12,445)	(12,445)	(12,445)	(12,445)	(20,000)	(20,000)	(20,000)
Other Expenses	(63,510)	(173,648)	(89,036)	(178,976)	(97,500)	(97,500)	(97,500)
Operating Cash Balance	285,750	(151,951)	268,015	162,594	162,246	152,901	143,557
Money Market Balance	174,381	174,712	175,044	181,760	174,535	174,450	174,214
ERTC Activity							
ERC Credits	38,700						
Transfer to Treasury Direct		(37,705)	15,984				
ERTC balance in operating account	407,954	370,249	386,233	386,233	386,233	386,233	386,233
Cash Balance (including ERTC and MM)	868,085	393,010	829,292	730,588	723,014	713,585	704,004
Operating Cash							
Total inflows	797,413	73,718	854,816	421,847	448,004	448,004	448,004
Total outflows	(400,506)	(511,419)	(434,850)	(527,268)	(451,119)	(451,119)	(451,119)
Change in Cash above	396,907	(437,701)	419,966	(105,421)	(3,115)	(3,115)	(3,115)
YTD Change in Cash	(272,388)	(437,701)	(17,735)	(123,156)	(123,504)	(132,849)	(142,193)