

**HILL VIEW MONTESSORI  
CHARTER PUBLIC SCHOOL**

**and**

**HILL VIEW MONTESSORI  
FOUNDATION, INC.**

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**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**

**C O N T E N T S**

	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4
Combined Financial Statements	
Combined Statement of Net Position.....	8
Combined Statement of Revenues, Expenses, and Changes in Net Position .....	9
Combined Statements of Cash Flows .....	10
Notes to Combined Financial Statements.....	11
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 <i>Government Auditing Standards</i> .....	22
Summary Schedule of Audit Findings.....	24
Board Acceptance Letter .....	25

## 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

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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**

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**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**

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**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**

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**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**

	<b>Hill View Montessori Charter Public School</b>	<b>Hill View Montessori Foundation Inc.</b>	<b>Memorandum Only - Total Primary Government 2024</b>	<b>Memorandum Only - Summarized Comparative Totals 2023</b>
<b>ASSETS</b>				
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
<b>TOTAL ASSETS.....</b>	<b>\$ 2,769,755</b>	<b>\$ 2,064,083</b>	<b>\$ 4,833,838</b>	<b>\$ 5,253,023</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
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
<b>TOTAL LIABILITIES.....</b>	<b>398,739</b>	<b>1,984,817</b>	<b>2,383,556</b>	<b>2,458,947</b>
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
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION.....</b>	<b>\$ 2,769,755</b>	<b>\$ 2,064,083</b>	<b>\$ 4,833,838</b>	<b>\$ 5,253,023</b>

*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
<b>Operating revenues</b>				
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>
<b>Operating expenses</b>				
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>
<b>Nonoperating revenue (expense)</b>				
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**

	<b>Hill View Montessori Charter Public School</b>	<b>Hill View Montessori Foundation Inc.</b>	<b>Memorandum Only - Total Primary Government 2024</b>	<b>Memorandum Only - Summarized Comparative Totals 2023</b>
<b>Cash flows from operating activities:</b>				
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>
<b>Cash flows from noncapital financing activities:</b>				
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>
<b>Cash flows from capital and related financing activities:</b>				
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>
<b>Reconciliation of operating loss to net cash (used in) provided by operating activities:</b>				
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**

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**1. Nature of Organization**

The Hill View Montessori Charter Public School (the School) was established on February 25<sup>th</sup>, 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**

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***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**

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***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**

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***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**

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***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**

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**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**

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**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**

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**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**

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**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.

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Board President or Treasurer or Other Designated Person

datexx

Date