

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
COMMUNITY MONTESSORI, INC.
FLOYD COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
05/21/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director/Treasurer	Barbara Burke Fondren	07-01-07 to 06-30-10
President of the Board of Directors	Tyson McDill Melanie Hughes Karen Gillenwater	07-01-07 to 09-18-07 09-19-07 to 04-20-09 04-21-09 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF COMMUNITY MONTESSORI, INC., FLOYD COUNTY, INDIANA

We have examined the financial information presented herein of Community Montessori, Inc. (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules have been subjected to the examination procedures applied to the basic financial information and, in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole.

The Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 8, 2010

COMMUNITY MONTESSORI, INC.
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 1,011,140	\$ -	\$ 11,737	\$ (999,403)
Support services	670,172	486,434	-	(183,738)
Noninstructional services	819	-	-	(819)
Facilities acquisition and construction	3,992,901	-	-	(3,992,901)
Debt service	628,814	-	-	(628,814)
Total governmental activities	\$ 6,303,846	\$ 486,434	\$ 11,737	(5,805,675)
General receipts:				
Property taxes				553,763
Other local sources				54,454
State aid				1,455,746
Bonds and loans				4,296,584
Grants and contributions not restricted to specific programs				22,039
Investment earnings				29,311
Total general receipts				6,411,897
Change in net assets				606,222
Net assets - beginning				684,143
Net assets - ending				\$ 1,290,365
<u>Assets</u>				
Cash and investments				\$ 1,290,365
<u>Net Assets</u>				
Unrestricted				\$ 1,290,365

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 1,106,168	\$ -	\$ 14,327	\$ (1,091,841)
Support services	998,795	445,746	-	(553,049)
Facilities acquisition and construction	738,204	-	-	(738,204)
Debt service	801,271	-	-	(801,271)
Total governmental activities	<u>\$ 3,644,438</u>	<u>\$ 445,746</u>	<u>\$ 14,327</u>	<u>(3,184,365)</u>
General receipts:				
Property taxes				467,832
Other local sources				174,755
State aid				1,866,434
Bonds and loans				300,000
Grants and contributions not restricted to specific programs				214,656
Investment earnings				20,563
Total general receipts				<u>3,044,240</u>
Change in net assets				(140,125)
Net assets - beginning				<u>1,290,365</u>
Net assets - ending				<u>\$ 1,150,240</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,150,240</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,150,240</u>

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	<u>General</u>	<u>Construction</u>	<u>Other</u>	<u>Totals</u>
Receipts:				
Local sources	\$ 1,076,402	\$ 5,177	\$ 42,383	\$ 1,123,962
State sources	1,467,483	-	2,750	1,470,233
Federal sources	-	-	19,289	19,289
Interfund loans	<u>23,643</u>	<u>23,643</u>	<u>-</u>	<u>47,286</u>
 Total receipts	 <u>2,567,528</u>	 <u>28,820</u>	 <u>64,422</u>	 <u>2,660,770</u>
Disbursements:				
Current:				
Instruction	1,008,390	-	2,750	1,011,140
Support services	614,559	-	55,613	670,172
Noninstructional services	-	-	819	819
Facilities acquisition and construction	70,870	3,881,503	40,528	3,992,901
Debt services	625,456	3,358	-	628,814
Interfund loans	<u>23,643</u>	<u>23,643</u>	<u>-</u>	<u>47,286</u>
 Total disbursements	 <u>2,342,918</u>	 <u>3,908,504</u>	 <u>99,710</u>	 <u>6,351,132</u>
 Excess (deficiency) of receipts over disbursements	 <u>224,610</u>	 <u>(3,879,684)</u>	 <u>(35,288)</u>	 <u>(3,690,362)</u>
Other financing sources:				
Proceeds of long-term debt	<u>-</u>	<u>4,296,584</u>	<u>-</u>	<u>4,296,584</u>
 Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	 224,610	 416,900	 (35,288)	 606,222
 Cash and investments - beginning	 <u>643,004</u>	 <u>8</u>	 <u>41,131</u>	 <u>684,143</u>
 Cash and investments - ending	 <u>\$ 867,614</u>	 <u>\$ 416,908</u>	 <u>\$ 5,843</u>	 <u>\$ 1,290,365</u>
 <u>Cash and Investment Assets - Ending</u>				
Cash and investments	<u>\$ 867,614</u>	<u>\$ 416,908</u>	<u>\$ 5,843</u>	<u>\$ 1,290,365</u>
 <u>Cash and Investment Fund Balance - Ending</u>				
Unrestricted	<u>\$ 867,614</u>	<u>\$ 416,908</u>	<u>\$ 5,843</u>	<u>\$ 1,290,365</u>

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Fiscal Stabilization Fund	Construction	Other	Totals
Receipts:					
Local sources	\$ 1,059,565	\$ -	\$ 723	\$ 48,608	\$ 1,108,896
State sources	1,880,761	-	-	1,375	1,882,136
Federal sources	-	200,071	-	13,210	213,281
Total receipts	2,940,326	200,071	723	63,193	3,204,313
Disbursements:					
Current:					
Instruction	1,100,927	-	-	5,241	1,106,168
Support services	959,600	-	-	39,195	998,795
Facilities acquisition and construction	26,907	-	711,297	-	738,204
Debt services	801,271	-	-	-	801,271
Total disbursements	2,888,705	-	711,297	44,436	3,644,438
Excess (deficiency) of receipts over disbursements	51,621	200,071	(710,574)	18,757	(440,125)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	300,000	-	300,000
Transfers in	4,818	-	-	-	4,818
Transfers out	-	-	(4,818)	-	(4,818)
Total other financing sources (uses)	4,818	-	295,182	-	300,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	56,439	200,071	(415,392)	18,757	(140,125)
Cash and investments - beginning	867,614	-	416,908	5,843	1,290,365
Cash and investments - ending	<u>\$ 924,053</u>	<u>\$ 200,071</u>	<u>\$ 1,516</u>	<u>\$ 24,600</u>	<u>\$ 1,150,240</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 924,053</u>	<u>\$ 200,071</u>	<u>\$ 1,516</u>	<u>\$ 24,600</u>	<u>\$ 1,150,240</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 924,053</u>	<u>\$ 200,071</u>	<u>\$ 1,516</u>	<u>\$ 24,600</u>	<u>\$ 1,150,240</u>

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>90,975</u>
Deductions:	
Administrative and general	<u>50,156</u>
Excess of total additions over total deductions	40,819
Cash and investment fund balance - beginning	<u>24,719</u>
Cash and investment fund balance - ending	<u><u>\$ 65,538</u></u>
Net assets:	
Cash and investments	<u><u>\$ 65,538</u></u>

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>11,615</u>
Deductions:	
Administrative and general	<u>70,967</u>
Deficiency of total additions over total deductions	(59,352)
Cash and investment fund balance - beginning	<u>65,538</u>
Cash and investment fund balance - ending	<u>\$ 6,186</u>
Net assets:	
Cash and investments	<u>\$ 6,186</u>

The accompanying notes are an integral part of the financial information.

COMMUNITY MONTESSORI, INC.
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation provides educational services.

Joint Venture

The School Corporation is a participant with several schools in a joint venture to operate Wilson Education Center which was created to provide training and purchase equipment at group discounts. The School Corporation is obligated by contract to remit dues based on the current ADM count times an annual fee to supplement the Wilson Education Center. Complete financial statements for the joint venture can be obtained from the joint venture's administrative office at 2101 Grace Avenue, Charlestown, IN 47111-9400.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Schedules

The Schedules of Activities and Net Assets - Cash and Investments Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The construction fund is used to account for disbursements for capital outlay from receipts derived from the sale of economic development revenue bonds.

COMMUNITY MONTESSORI, INC.
NOTES TO FINANCIAL INFORMATION
(Continued)

The fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report trust arrangements under which principal and income benefit the School Corporation.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

COMMUNITY MONTESSORI, INC.
NOTES TO FINANCIAL INFORMATION
(Continued)

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Governmental Activities	\$ 643,012	\$ 41,131	\$ 684,143
Fiduciary - Private Purpose Trust Funds	65,850	(41,131)	24,719
Other Governmental	-	41,131	41,131

Note 5. Interfund Transfers

Interfund transfers for the year ended June 30, 2009, were as follows:

Transfer From	Transfer To	2009
Construction	General Fund	\$ 4,818

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF

COMMUNITY MONTESSORI, INC.
NOTES TO FINANCIAL INFORMATION
(Continued)

retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teacher's Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

COMMUNITY MONTESSORI, INC.
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Sponsor Agreement

The School Corporation has entered into a contract with Ball State University (the sponsor) for the establishment and operation of a public charter school. The School Corporation was organized as a charter school pursuant to state statute. The sponsor shall oversee the compliance of the School Corporation with the contract and applicable laws.

COMMUNITY MONTESSORI, INC.
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 46,213	\$ 53,258	\$ (7,045)	87%	\$ 306,837	(2%)
07-01-07	65,542	59,256	6,286	111%	287,652	2%
07-01-08	91,804	71,530	20,274	128%	298,713	7%

COMMUNITY MONTESSORI, INC.
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	Title II, Part A Teaching Quality Improvement	Rural Schools	Expansion	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 32,100	\$ 10,283	\$ 42,383
State sources	2,750	-	-	-	2,750
Federal sources	-	19,289	-	-	19,289
Total receipts	<u>2,750</u>	<u>19,289</u>	<u>32,100</u>	<u>10,283</u>	<u>64,422</u>
Disbursements:					
Current:					
Instruction	2,750	-	-	-	2,750
Support services	-	15,423	32,100	8,090	55,613
Noninstructional services	-	-	-	819	819
Facilities acquisition and construction	-	-	-	40,528	40,528
Total disbursements	<u>2,750</u>	<u>15,423</u>	<u>32,100</u>	<u>49,437</u>	<u>99,710</u>
Excess (deficiency) of receipts over disbursements	-	3,866	-	(39,154)	(35,288)
Cash and investments - beginning	-	-	-	41,131	41,131
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,866</u>	<u>\$ -</u>	<u>\$ 1,977</u>	<u>\$ 5,843</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ 3,866</u>	<u>\$ -</u>	<u>\$ 1,977</u>	<u>\$ 5,843</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ 3,866</u>	<u>\$ -</u>	<u>\$ 1,977</u>	<u>\$ 5,843</u>

COMMUNITY MONTESSORI, INC.
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Special Education Preschool	IDEA PL 101-476 Fund	Title II, Part A Teaching Quality Improvement	Rural Schools	Expansion	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 25,985	\$ 22,623	\$ 48,608
State sources	1,375	-	-	-	-	1,375
Federal sources	-	13,210	-	-	-	13,210
Total receipts	<u>1,375</u>	<u>13,210</u>	<u>-</u>	<u>25,985</u>	<u>22,623</u>	<u>63,193</u>
Disbursements:						
Current:						
Instruction	1,375	-	3,866	-	-	5,241
Support services	-	13,210	-	25,985	-	39,195
Total disbursements	<u>1,375</u>	<u>13,210</u>	<u>3,866</u>	<u>25,985</u>	<u>-</u>	<u>44,436</u>
Excess (deficiency) of receipts over disbursements	-	-	(3,866)	-	22,623	18,757
Cash and investments - beginning	-	-	3,866	-	1,977	5,843
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,600</u>	<u>\$ 24,600</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,600</u>	<u>\$ 24,600</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,600</u>	<u>\$ 24,600</u>

COMMUNITY MONTESSORI, INC.
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	<u>Walton Foundation Grant</u>	<u>Caesars Foundation Grant</u>	<u>Teen Technology Endowment</u>	<u>Youth Philanthropy</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 84,075	\$ -	\$ 4,900	\$ 2,000	\$ 90,975
Deductions:					
Administrative and general	<u>24,212</u>	<u>24,719</u>	<u>-</u>	<u>1,225</u>	<u>50,156</u>
Excess (deficiency) of total additions over total deductions	59,863	(24,719)	4,900	775	40,819
Cash and investment fund balance - beginning	<u>-</u>	<u>24,719</u>	<u>-</u>	<u>-</u>	<u>24,719</u>
Cash and investments - ending	<u>\$ 59,863</u>	<u>\$ -</u>	<u>\$ 4,900</u>	<u>\$ 775</u>	<u>\$ 65,538</u>
Net assets:					
Cash and investments	<u>\$ 59,863</u>	<u>\$ -</u>	<u>\$ 4,900</u>	<u>\$ 775</u>	<u>\$ 65,538</u>

COMMUNITY MONTESSORI, INC.
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Walton Foundation Grant</u>	<u>Teen Technology Endowment</u>	<u>Youth Philanthropy</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ -	\$ 9,615	\$ 2,000	\$ 11,615
Deductions:				
Administrative and general	<u>59,863</u>	<u>10,101</u>	<u>1,003</u>	<u>70,967</u>
Excess (deficiency) of total additions over total deductions	(59,863)	(486)	997	(59,352)
Cash and investment fund balance - beginning	<u>59,863</u>	<u>4,900</u>	<u>775</u>	<u>65,538</u>
Cash and Investments - ending	<u>\$ -</u>	<u>\$ 4,414</u>	<u>\$ 1,772</u>	<u>\$ 6,186</u>
Net assets:				
Cash and investments	<u>\$ -</u>	<u>\$ 4,414</u>	<u>\$ 1,772</u>	<u>\$ 6,186</u>

COMMUNITY MONTESSORI INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended June 30, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 140,296
Buildings	11,205,490
Machinery and equipment	<u>123,881</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,469,667</u>

COMMUNITY MONTESSORI, INC.
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
ShoreTel IP phone system	\$ 16,232	\$ 4,935
Notes and loans payable:		
Common school loans	735,757	4,587 *
School building project, Phase 1 - 2004	4,102,275	375,510
School building project, Phase 1 - 2006	1,183,073	72,168 **
School building project, Phase 1 - 2007	<u>4,513,894</u>	<u>379,568</u>
 Total governmental activities debt	 <u>\$ 10,551,231</u>	 <u>\$ 836,768</u>

* - On August 11, 2009, pursuant to IC 20-49-7-21, the school corporation elected to defer the loan payments due from July 1, 2009 through January 1, 2011, for two years.

** - Per the promissory note agreement, interest only shall be due and payable on each interest payment date beginning with the monthly installment due on April 1, 2006, and on the first day of each month thereafter until March 31, 2011. The principal amount due here under shall be payable in full, including interest accrued and unpaid there on, on April 1, 2011.

COMMUNITY MONTESSORI, INC.
EXAMINATION RESULT AND COMMENT

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. A credit card from Advanta Bank Corp. was used to make purchases and several instances were noted in which the receipts lacked proper itemization or the receipt was missing and did not support the amount on the monthly credit card statements. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COMMUNITY MONTESSORI, INC.
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2010, with Barbara Burke Fondren, Director/Treasurer; Karen Gillenwater, President of the Board of Directors; and Joanne Kiefer, Administrative Services – Finance.