



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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January 13, 2014

Charter School Board  
Community Montessori, Inc.  
4102 St. Joseph Road  
New Albany, IN 47150

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2012 to June 30, 2013. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report. Page 3 contains one audit result and comment. Management's response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Community Montessori, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

*State Board of Accounts*

SUPPLEMENTAL AUDIT REPORT  
OF  
**COMMUNITY MONTESSORI, INC.**  
FLOYD COUNTY, INDIANA  
JULY 1, 2012 to June 30, 2013

COMMUNITY MONTESSORI, INC.

FLOYD COUNTY, INDIANA

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COMMUNITY MONTESSORI, INC.

FLOYD COUNTY, INDIANA

School Officials

Year Ended June 30, 2013

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Lili Lutgens	7/1/12 – 6/30/13
Director	Barbara Fondren	7/1/12 – 6/30/13
Administrative Services- Finance Coordinator	Joanne Kiefer	7/1/12 – 6/30/13

Board of Directors  
Community Montessori, Inc.

We have audited the financial statements of **Community Montessori, Inc.** (the "School") as of and for the year ended June 30, 2013 and have issued our report thereon dated November 13, 2013. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.



Indianapolis, IN  
November 13, 2013

COMMUNITY MONTESSORI, INC.

FLOYD COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2013

CASH RECEIPTS AND DEPOSITS

We examined records relating to cash receipts at the school pertaining to such items as program fees, material and supply fees, fundraising, and field trips. From a sample of 25 cash receipts transactions comprising items from the 2013 fiscal year, we noted the following:

- Cash receipts were created at the time of deposit, not at the time of the transaction.
- Receipt forms did not include information regarding the nature of the payment (cash, check or other).
- Bank deposits are generally made no more often than weekly.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

COMMUNITY MONTESSORI, INC.

FLOYD COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2013

The contents of this report were discussed on December 17, 2013 with Barbara Burke Fondren (School Director), Joanne Kiefer (Administrative Services—Finance Coordinator), Lili Lutgens (Board President), and Melanie Hughes (Board Treasurer). The Official Response has been made a part of this report and may be found on page 5.

#### OFFICIAL RESPONSE

Based on the Audit Results and Comments Community Montessori has implemented the following changes:

1. Receipts are being created and given to the person making payment at the time of payment and the nature of the payment is noted on the receipt. A cupola staff person records the receipt on a log and the funds are transferred daily or less frequently if there are no funds to be transferred, to administrative services – finance. The cupola staff member signs the log at transfer and the administrative services – finance staff member also signs the log upon taking custody of the funds.
2. In supporting the segregation of duties and documentation of receipts, the school has developed a log to record payments received by the cupola staff and this log serves as support for banking deposits, primarily supporting the nature of the payment (cash or check). The school now makes bank deposits as frequently as there are funds to deposit.