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November 13, 2018

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

We have reviewed the Supplemental Audit Report for Community Montessori, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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 findings in the report. Page 3 contains two audit results and comments. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
COMMUNITY MONTESSORI, INC.

FLOYD COUNTY, INDIANA

July 1, 2017 to June 30, 2018



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COMMUNITY MONTESSORI, INC.
FLOYD COUNTY, INDIANA
School Officials
July 1, 2017 to June 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Nicole Yates	07/01/17 – 06/30/18
School Director	Barbara Burke Fondren	07/01/17 – 06/30/18
Administrative Finance	Kelly Coots	07/01/17 – 06/30/18



Donovan CPAs

The 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, 2018 and have issued our report thereon dated October 25, 2018. 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.

DONOVAN

Indianapolis, Indiana
October 25, 2018

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COMMUNITY MONTESSORI, INC.
FLOYD COUNTY, INDIANA
Audit Results and Comments
July 1, 2017 to June 30, 2018

RECEIPTS AND DEPOSITS

We tested twenty-five cash receipts from the School's receipt books. Six of the receipts tested were not deposited timely.

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. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

VENDOR DISBURSEMENTS

We tested twenty-five vendor disbursements from the School's cash disbursements register. Three of the twenty-five disbursements tested had remittance for sales tax totaling \$97.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

COMMUNITY MONTESSORI, INC.
FLOYD COUNTY, INDIANA
Exit Conference
July 1, 2017 to June 30, 2018

The contents of this report were discussed on October 25, 2018 with Barbara Burke Fondren (School Director) and Kelly Coots (Administrative Finance). The Official Response has been made a part of this report and may be found on page 5.

10-25-2018

Community Montessori Response to Audit.

Community Montessori takes our fiduciary responsibility very seriously. We will continue to work toward 100% compliance.

Timely deposits

We collect very little cash at Community Montessori. We have moved to using mostly credit cards for online payments for the majority of our activities. Therefore, we need to be more conscience of ensuring the process for collecting money is turned in daily. The money will be logged daily by the Curved Desk Support person and totaled. It is then given to Finance Services daily to be deposited when received or at least in intervals of Wednesdays or Fridays.

Although the total of those receipts were only \$120.00, we have re-iterated the process with all staff that receipt funds to ensure better implementation.

Vendor Disbursements

As a tax exempt organization, we do not reimburse or pay taxes collected on products purchased. There was three times that tax was collected and reimbursed/disbursed. 2 of the 3 disbursements were staff reimbursements where we missed the tax collected on the receipt. We have heightened our review of reimbursements to further ensure tax is not reimbursed and there are two people that check this process.

The other sales tax item was on a purchase made through our Parent Involvement Partnership. We have reviewed that process to ensure taxes are not disbursed in the future.

Although the total of those taxes were under \$100.00, we have put measures in place to reduce any errors in the future.