

Gettysburg Montessori Charter School

**Charter Annual Report**

07/01/2012 - 06/30/2013

# School Profile

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## Demographics

Eisenhower Elementary Bldg  
120 E Broadway  
Gettysburg, PA 17325  
(717)321-4795

Phase:

Phase 1

CEO Name:

Robin Kirkpatrick

CEO E-mail address:

[robin@gettysburgmontessoricharter.org](mailto:robin@gettysburgmontessoricharter.org)

# Governance and Staff

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## *Leadership Changes*

Leadership changes during the past year on the Board of Trustees and in the school administration:

President of the Board is now Sharon Stephenson  
 Vice President is Beth Carmichael  
 Treasurer is Ali Morris  
 Secretary is Karen Millar  
 New elections of Board members and offices at annual meeting.

## *Board of Trustees Meeting Schedule*

Location	Date and Time
Gettysburg Montessori Charter School Cafeteria	9/17/2013 6:00 PM

## *Professional Staff Member Roster*

<b>Melissa Jackson</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Katie Jarvis</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Nicki Johnston</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Amanda Jan</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Nicole Rickell</b>	
PA Certified	No
Areas of Certification	Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Heather Grace-Rutledge</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	K
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math, Sensorial, Grace and Courtesy
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0

Percentage of Time in Areas Not Certified	0.0
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<b>Megan Hatfield</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	K
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, History, Geography, Science, Math, Sensorial, Grace and Courtesy
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Emily Morris</b>	
PA Certified	Yes
Areas of Certification	Elementary
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Learning support for Reading and Writing
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Michael Herring</b>	
PA Certified	Yes
Areas of Certification	Special Education
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Special Education
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

<b>Kristen Staub</b>	
PA Certified	Yes
Areas of Certification	Music
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Music and teaching assistant

Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	70.0
Percentage of Time in Areas Not Certified	30.0

<b>Molly Clark</b>	
PA Certified	Yes
Areas of Certification	Physical Education and Health
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Physical Education and Health and Teaching Assistant
Number of Hours Annually Worked in Assignment	1372
Percentage of Time in Certified Position	70.0
Percentage of Time in Areas Not Certified	30.0

The professional staff member roster as recorded originally on the PDE-414 form

*No file has been uploaded.*

### *Quality of Teaching and Other Staff*

<b>Position Categories</b>	<b>All Employed per Category</b>	<b>Appropriately Certified</b>	<b>Promoted</b>	<b>Transferred</b>	<b>Terminated</b>	<b>Contracted for Following Year</b>
Chief Academic Officer/Director		1.00				
Principal						
Assistant Principal						
Classroom Teacher (including Master Teachers)		7.00				
Specialty Teacher (including Master Teachers)		2.00				
Special Education Teacher (including Master Teachers)		1.00				
Special Education Coordinator		1.00				
Counselor						
Psychologist						
School Nurse		1.00				
<b>Totals</b>	<b>0</b>	<b>13.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Further explanation:

*This narrative is empty.*

# Fiscal Matters

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## *Major Fundraising Activities*

Major fundraising activities performed this year and planned for next year:

None.

## *Fiscal Solvency Policies*

Changes to policies and procedures to ensure and monitor fiscal solvency:

None, except for Petty Cash establishment.

### **Fiscal Solvency Policies**

Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency (optional if described in the narrative)

#### **Files uploaded:**

- Fiscal Matters 2012-2013.docx

## *Accounting System*

Changes to the accounting system the charter school uses:

None except using Bills.com to approve bills instead of a excel spreadsheet. See attached info. from previous question.

## *Preliminary Statements of Revenues, Expenditures & Fund Balances*

The completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances

*XLS file uploaded.*

## *Financial Audits*

### **Basics**

Audit Firm:	Siegel & Drossner
Date of Last Audit:	08/19/2013
Fiscal Year Last Audited:	2013

### **Explanation of the Report**

Detailed explanation of the report (if the previous year’s report has been submitted.) Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation:

*This narrative is empty.*

**Financial Audit Report**

The Financial Audit Report, which should include the auditor’s opinion and any findings resulting from the audit

*PDF file uploaded.*

**Citations**

Financial audit citations and the corresponding Charter School responses

Description	Response
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***Federal Programs Consolidated Review***

**Basics**

Title I Status:

Date of Last Federal Programs Consolidated Review: 06/30/2013

School Year Reviewed: 2013

**Federal Programs Consolidated Review Report**

The Federal Programs Consolidated Review Report, which should include the Division’s opinion and any findings resulting from the audit

*No file has been uploaded.*

**Citations**

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response
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# Special Education

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## *Chapter 711 Assurances*

The LEA agrees to comply with all requirements of Special Education outlined in 22 PA Code Chapter 711 and other state and federal mandates. These include:

Implementation of a full range of services, programs and alternative placements available to the Charter School for placement and implementation of the special education programs in the Charter School.

Implementation of a child find system to locate, identify and evaluate young children and children who are thought to be a child with a disability eligible for special education residing within the Charter School's jurisdiction. Child find data is collected, maintained and used in decision-making. Child find process and procedures are evaluated for their effectiveness. The Charter School implements mechanisms to disseminate child find information to the public, organizations, agencies and individuals on at least an annual basis.

Assurances of students with disabilities are included in general education programs and extracurricular and non-academic programs and activities to the maximum extent appropriate in accordance with an Individualized Education Program.

Following the state and federal guidelines for participation of students with disabilities in state and Charter School-wide assessments including the determination of participation, the need for accommodations and the methods of assessing students for whom regular assessment is not appropriate.

Assurance of funds received through participation in the medical assistance reimbursement program, ACCESS, will be used to enhance or expand the current level of services and programs provided to students with disabilities in this local education agency.

## **Special Education Support Services**

<b>Support Service</b>	<b>Location</b>	<b>Teacher FTE</b>
Learning Support	Classrooms	0.9
Occupation Therapy	Gettysburg Montessori Charter School Cafeteria	0.01
Speech	Gettysburg Montessori Charter School Cafeteria	0.25

## **Special Education Contracted Services**

<b>Title</b>	<b>Amt. of Time per Week</b>	<b>Operator</b>	<b>Number of Students</b>
Occupational Therapy	1 Days	Intermediate Unit	10 or fewer
Speech	3 Days	Intermediate Unit	10 or fewer

### ***Special Education Cyclical Monitoring***

Date of Last Special Education Cyclical Monitoring:

03/12/2013

Link to Report (Optional):

Not Provided

#### **Special Education Cyclical Monitoring Report**

The Special Education Cyclical Monitoring Report, which should include the Bureau's findings

*No file has been uploaded.*

# Facilities

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## *Fixed assets acquired by the Charter School during the past fiscal year*

Fixed assets acquired by the Charter School during the past fiscal year:

Tables, Chairs, Computers

**The total Charter School expenditures for fixed assets during the identified fiscal year:**

*not answered*

## *Facility Plans and Other Capital Needs*

The Charter School's plan for future facility development and the rationale for the various components of the plan:

We lease our building. We do not plan on expanding. Our philosophy is to keep enrollment around 140.

## *Memorandums of Understanding*

Organization	Purpose
Gettysburg Borough Police	For Safe Schools

## Fiscal Matters

### Major Fund-raising Activities

Identify major fund-raising activities performed this year and planned for next year.

There were no major fund raising activities during this year and none are planned for the upcoming year.

### Fiscal Solvency Policies

If applicable, describe any changes to policies and procedures to ensure and monitor fiscal solvency.

The school board adopts an annual budget in June prior to the upcoming fiscal year. All purchasing and expense allocation throughout the fiscal year must align with the budget. The administration and board monitors fiscal activity, as related to the annual budget, on a monthly basis. Monthly reviews also include accounts receivable and accounts payable.

AND/OR

If available, [upload](#) Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency:

### Accounting System

If applicable, describe any changes to the accounting system the charter school uses.

The school maintains its books on a fund accounting basis in accordance with GAAP. It maintains a chart of accounts based on the Pennsylvania State Chart of Accounts for PA Public Schools, and all PDE reports are filed in this format. Quick Books Accounting Software is used to classify, capture and report income and expenditures.

### Preliminary Statements of Revenues, Expenditures & Fund Balances—

First, download and complete the [Fiscal Template for the Annual Charter School Report](#). The Fiscal Template is an interim accountability tool for fiscal reporting that requires completion of the Modified Statement of Expenditures and Revenues through June 30. This information is at an accounting level that should mirror the existing accounting system in your school, utilizing the same structure and definitions required by the State Accounting Manual. You are to complete this spreadsheet and then calculate an interim unrestricted fund balance (see expenditure worksheet) as of June 30. Failure to complete this part of the Annual Charter School Report will result in an incomplete submission and will be considered a violation of the Charter School Law.

Next, upload the completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances. **Upload the attached.**

### Financial Audits

Indicate the financial auditing firm, the date of the last financial audit:

Audit Firm:	Siegal & Drossner, PC
Date of Last Audit:	November 6, 2012
Fiscal Year Last Audited:	June 30, 2012

Provide a detailed explanation if a previous year’s report is submitted. Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation

The audit report for the fiscal year ending June 30, 2012 is included.

**Upload** the Financial Audit Report, which should include the auditor’s opinion and any findings resulting from the audit.

List financial audit citations and the corresponding Charter School responses:

Financial Audit Citations	Charter School Responses
<b>None Noted.</b>	<b>NA</b>

Federal Programs Consolidated Review

Indicate the date of the last review conducted by the Division of Federal Programs as well as the year reviewed:

Is the Charter School a Title I school?	<b>YES</b>
Date of Last Federal Programs Consolidated Review:	<b>NA – became title 1 in 2013</b>
School Year Reviewed:	<b>NA</b>

**Upload** the Federal Programs Consolidated Review Report, which should include the Division’s opinion and any findings resulting from the audit.

List Federal Programs Consolidated Review citations and the corresponding Charter School responses:

Federal Programs Consolidated Review Citations	Charter School Responses
<b>NA</b>	<b>NA</b>

**Preliminary Statement of Revenues, Expenditures & Fund Balances**  
**Include ALL Funds**  
**as of June 30, 2013**

Name of School \_\_\_\_\_ **GETTYSBURG MONTESSORI CHARTER SCHOOL** \_\_\_\_\_

Address of School \_\_\_\_\_

CEO Signature \_\_\_\_\_

**Note-Expenditures may be submitted EITHER as accrual or cash basis**

**EXPENDITURES**

<b>1000</b>	<b>INSTRUCTION</b>		
1100	REGULAR PROGRAMS - ELEMENTARY / SECONDARY		533,635
1200	SPECIAL PROGRAMS - ELEMENTARY / SECONDARY		89,771
1300	VOCATIONAL EDUCATION		
1400	OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY		
1600	ADULT EDUCATION PROGRAMS		
1700	HIGHER EDUCATION PROGRAMS		
1800	PRE-KINDERGARTEN		
<b>2000</b>	<b>SUPPORT SERVICES</b>		
2100	SUPPORT SERVICES - PUPIL PERSONNEL		
	2110 Supervision of Pupil Personnel Services		
	2120 Guidance Services		
	2130 Attendance Services		
	2140 Psychological Services		
	2150 Speech Pathology and Audiology Services		
	2160 Social Work Services		
	2170 Student Accounting Services		
	2190 Other Pupil Personnel Services		
2200	SUPPORT SERVICES - INSTRUCTIONAL STAFF		
	2210 Supervision of Educational Media Services		
	2220 Technology Support Services		
	2230 Educational Television Services		
	2240 Computer-Assisted Instruction Support Services		

	2250	School Library Services	
	2260	Instruction and Curriculum Development Services	
	2270	Instructional Staff Professional Development Services	
	2280	Nonpublic Support Services	
2300		SUPPORT SERVICES - ADMINISTRATION	
	2310	Board Services	
	2320	Board Treasurer Services	
	2340	Staff Relations and Negotiations Services	
	2350	Legal Services	71
	2360	Office of the Superintendent (Executive Director) Services	
	2370	Community Relations Services	
	2380	Office of the Principal Services	
	2390	Other Administration Services	165,541
2400		SUPPORT SERVICES - PUPIL HEALTH	8,370
2500		SUPPORT SERVICES - BUSINESS	
	2510	Fiscal Services	68,823
	2520	Purchasing Services	
	2530	Warehousing and Distributing Services	
	2540	Printing, Publishing and Duplicating Services	
	2590	Other Support Services - Business	
2600		OPERATION AND MAINTENANCE OF PLANT SERVICES	
	2610	Supervision of Operation and Maintenance of Plant Services	
	2620	Operation of Buildings Services	
	2630	Care and Upkeep of Grounds Services	
	2640	Care and Upkeep of Equipment Services	
	2650	Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles)	
	2660	Security Services	
	2690	Other Operation and Maintenance of Plant Services	166,438
2700		STUDENT TRANSPORTATION SERVICES	
	2710	Supervision of Student Transportation Services	
	2720	Vehicle Operation Services	
	2730	Monitoring Services	
	2740	Vehicle Servicing and Maintenance Services	
	2750	Nonpublic Transportation	
	2790	Other Student Transportation Services	
2800		SUPPORT SERVICES - CENTRAL	
	2810	Planning, Research, Development and Evaluation Services	
	2820	Information Services	
	2830	Staff Services	

	2840	Data Processing Services	
	2850	State and Federal Agency Liaison Services	
	2860	Management Services	
	2890	Other Support Services Central	
2900		OTHER SUPPORT SERVICES - CENTRAL	
	2990	Pass-Thru Funds	
<b>3000</b>		<b>OPERATION OF NON-INSTRUCTIONAL SERVICES</b>	
3100		FOOD SERVICES	12,130
3200		STUDENT ACTIVITIES	
	3210	School Sponsored Student Activities	
	3250	School Sponsored Athletics	
3300		COMMUNITY SERVICES	
	3310	Community Recreation	
	3320	Civic Services	
	3330	Public Library Services	
	3340	Custody and Child Care	
	3350	Welfare Activities	
	3390	Other Community Services	
3400		SCHOLARSHIPS AND AWARDS	
<b>4000</b>		<b>FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES</b>	
4100		SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL	
4200		EXISTING SITE IMPROVEMENT SERVICES	
4300		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL	
4400		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS	
4500		BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL	
4600		EXISTING BUILDING IMPROVEMENT SERVICES	
<b>5000</b>		<b>OTHER EXPENDITURES AND FINANCING USES</b>	
5100		DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	

5200		FUND TRANSFERS	
5300		TRANSFERS INVOLVING COMPONENT UNITS	
5400		INTRAFUND TRANSFERS OUT	
5800		SUSPENSE ACCOUNT	
5900		BUDGETARY RESERVE	
<b>TOTAL EXPENDITURES</b>			1,044,779

**TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND  
BALANCE AS OF JUNE 30, 2013**

170,290

**Gettysburg Montessori Charter School**

**Financial Statements  
And  
Independent Auditors' Report**

**Year Ended June 30, 2012**

**Gettysburg Montessori Charter School**  
**Table of Contents**  
**Year Ended June 30, 2012**

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## **Independent Auditors' Report**

To the Board of Trustees  
Gettysburg Montessori Charter School  
Gettysburg, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of Gettysburg Montessori Charter School (the School), as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gettysburg Montessori Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Gettysburg Montessori Charter School as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 6, 2012, on our consideration of Gettysburg Montessori Charter School'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

*Siegel & Drossner, P.C.*

Certified Public Accountants  
Elkins Park, Pennsylvania

November 6, 2012

# Gettysburg Montessori Charter School Management's Discussion and Analysis June 30, 2012

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The Board of Trustees of Gettysburg Montessori Charter School (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

## **Financial Highlights**

- Total revenues increased by approximately \$274,000 due mainly to an increase in the student population and increased rates.
- At the close of the current fiscal year, the School reports an ending general fund deficit of \$41,141. This balance was the result of a \$41,348 surplus for the year ended June 30, 2012.
- The School's cash balance at June 30, 2012 was \$25,621, representing an increase of \$8,081 from June 30, 2011.

## **Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise three components: Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information.

### ***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

In the statement of net assets and the statement of activities, the School is divided into two kinds of activities:

Governmental activities - Most of the School's basic services are reported here.

Business-type activities - The School offers breakfast and lunch to the students.

# Gettysburg Montessori Charter School Management's Discussion and Analysis June 30, 2012

## *Fund Financial Statements*

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's two kinds of funds, governmental and proprietary, use different accounting approaches.

Most of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

When the School charges students for services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the School's enterprise fund (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

## *Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## *Supplementary Information*

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis.

## **Government-Wide Financial Analysis**

Management has adopted Governmental Accounting Standards Board (GASB) Statement 34 which requires a comparative analysis of current and prior periods.

	2012	2011
<b>Assets</b>		
Current and other assets	\$ 104,924	\$ 90,164
Capital assets, net	4,824	6,262
	109,748	96,426
<b>Liabilities</b>	146,065	172,653
<b>Net Deficit</b>	\$ (36,317)	\$ (76,227)

# Gettysburg Montessori Charter School Management's Discussion and Analysis June 30, 2012

## Government-Wide Financial Analysis (Continued)

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of the School, liabilities exceeded assets by \$36,317 as of June 30, 2012, a decrease of \$39,910 from June 30, 2011.

The School's revenues are predominately local school district's funds based on the student enrollment. For the year ended June 30, 2012, the School's total revenues of \$730,909 exceeded expenditures of \$690,999 by \$39,910, an increase of \$117,285 as compared to the preceding year.

	2012	2011
<b>Revenues</b>		
Program revenues		
Local educational agency assistance	\$ 673,513	\$ 429,521
State sources	15,861	15,731
Federal sources	4,601	1,250
General revenues		
Other revenues	29,611	5,677
Food service	7,323	5,697
Total revenues	730,909	457,876
<b>Expenditures</b>		
Instruction	355,451	306,954
Support services	320,599	215,796
Noninstructional services	8,827	8,985
Depreciation expense	1,438	928
Interest expense	4,684	2,588
Total expenditures	690,999	535,251
Change in net assets	39,910	(77,375)
Net assets, beginning	(76,227)	1,148
Net deficit, ending	\$ (36,317)	\$ (76,227)

## Governmental Fund

The focus of the School's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental fund (the General Fund) reported an ending fund deficit of \$41,141.

# Gettysburg Montessori Charter School Management's Discussion and Analysis June 30, 2012

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## **Budget Variations**

The actual revenues represent a decrease from budgeted revenues of \$188,326 due mainly to decreased student enrollment.

Actual expenditures decreased \$171,229 from the budget due mainly to a decrease in support services of \$119,552 and a decrease in debt service of \$50,416.

## **Capital Asset and Debt Administration**

### *Capital Assets*

As of June 30, 2012, the School's investment in capital assets for its governmental activities totaled \$4,824 (net of accumulated depreciation). This investment in capital assets includes equipment and computers.

Major capital assets purchases during the year included the following:

- No current additions during the year.

Additional information on the School's capital assets can be found in Note 4 of this report.

### *Long-Term Debt*

The School does not have any long-term liabilities at this time.

## **Economic Factors and Next Year's Budgets and Rates**

The School's primary source of revenue, the per student subsidy provided by the local school districts, will increase by approximately \$275,000 for fiscal year 2012-2013, due to increased enrollment from approximately 65 to approximately 91 students.

## **Future Events That Will Financially Impact the School**

Except as listed above, there are no known future events that will financially impact the School.

## **Contacting the School's Financial Management**

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the CEO, Gettysburg Montessori Charter School, 120 East Broadway, Gettysburg, PA 17325.

**Gettysburg Montessori Charter School**  
**Statement of Net Deficit**  
**June 30, 2012**

	Governmental Activities
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 25,621
Local receivables	64,402
Federal subsidies receivable	315
State subsidies receivable	5,687
Total current assets	96,025
Property and equipment, net	4,824
Deposits	8,899
	109,748
<b>Liabilities</b>	
Current liabilities	
Line of credit	62,669
Accounts payable	43,026
Accrued expenses	40,370
Total current liabilities	146,065
<b>Net Deficit</b>	
Invested in capital assets, net	4,824
Unrestricted	(41,141)
	\$ (36,317)

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Statement of Activities**  
**Year Ended June 30, 2012**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business - Type Activities	
<b>Governmental Activities</b>						
Instruction	\$ 355,451	\$ -	\$ 367,354	\$ 11,903	\$ -	\$ 11,903
Support services	320,599	-	326,621	6,022	-	6,022
Noninstructional services	1,272	-	-	(1,272)	-	(1,272)
Depreciation expense	1,438	-	-	(1,438)	-	(1,438)
Interest expense	4,684	-	-	(4,684)	-	(4,684)
Total governmental activities	683,444	-	693,975	10,531	-	10,531
<b>Business-Type Activities</b>						
Food service	7,555	7,323	-	-	(232)	(232)
	<u>\$ 690,999</u>	<u>\$ 7,323</u>	<u>\$ 693,975</u>	10,531	(232)	10,299
<b>General Revenues</b>						
				29,611	-	29,611
<b>Transfers</b>				(232)	232	-
<b>Change in net deficit</b>				39,910	-	39,910
<b>Net Deficit - Beginning of Year</b>				(76,227)	-	(76,227)
<b>Net Deficit - End of Year</b>				<u>\$ (36,317)</u>	<u>\$ -</u>	<u>\$ (36,317)</u>

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Balance Sheet-Governmental Fund**  
**June 30, 2012**

	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 25,621
Local receivables	64,402
Federal subsidies receivable	315
State subsidies receivable	5,687
Security deposits	8,899
Total assets	\$ 104,924
<b>Liabilities</b>	
Line of credit	\$ 62,669
Accounts payable	43,026
Accrued expenses	40,370
Total liabilities	146,065
<b>Fund Balances</b>	
Nonspendable	8,899
Unreserved fund deficit	(50,040)
	(41,141)
	\$ 104,924

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Deficit**  
**June 30, 2012**

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<b>Total Fund Deficit for Governmental Funds</b>	\$	(41,141)
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Furniture and equipment	7,190	
Accumulated depreciation	(2,366)	
		4,824

<b>Total Net Deficit of Governmental Activities</b>	\$	<u>(36,317)</u>
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See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance (Deficit)-Governmental Fund**  
**Year Ended June 30, 2012**

	General Fund
<b>Revenues</b>	
Local educational agency assistance	\$ 673,513
State sources	15,861
Federal sources	4,601
Other revenues	29,611
Total revenues	723,586
<b>Expenditures</b>	
Instruction	355,451
Support services	320,599
Noninstructional services	1,272
Debt service	4,684
Total expenditures	682,006
<b>Revenues in Excess of Expenditures</b>	41,580
<b>Other Financing Uses</b>	
Interfund transfers out	(232)
<b>Excess of Revenues over Expenditures and Other Financing Uses</b>	41,348
<b>Fund Deficit - Beginning of Year</b>	(82,489)
<b>Fund Deficit - End of Year</b>	\$ (41,141)

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds to the  
 Statement of Activities  
 Year Ended June 30, 2012**

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<b>Net Change in Fund Deficit - Total Governmental Funds</b>	\$	41,348
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeds depreciation in the current period.

Depreciation expense	<u>(1,438)</u>	<u>(1,438)</u>
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<b>Change in Net Deficit of Governmental Activities</b>	\$	<u>39,910</u>
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See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Statement of Revenues, Expenditures, and Changes in Net Assets**  
**Proprietary Fund**  
**Year Ended June 30, 2012**

	Enterprise Fund
	Food Service Fund
<b>Operating Income</b>	\$ 7,323
<b>Operating Expenses</b>	
Food	7,555
<b>Operating loss</b>	(232)
Interfund transfers in	232
<b>Change in Net Assets</b>	-
<b>Net Assets - Beginning of Year</b>	-
<b>Net Assets - End of Year</b>	\$ -

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2012**

	Enterprise Fund
	Food Service Fund
<b>Cash Flows From Operating Activities</b>	
Cash received from students	\$ 7,323
Payments to suppliers	<u>(7,555)</u>
Net cash provided by operating activities	<u>(232)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfer from other fund	<u>232</u>
Net cash used in noncapital financing activities	<u>232</u>
<b>Net increase in cash and cash equivalents</b>	-
<b>Cash and cash equivalents, beginning of year</b>	<u>-</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ -</u>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>	
Operating loss	<u>\$ (232)</u>
Net cash provided by operating activities	<u>\$ (232)</u>

See accompanying notes to financial statements.

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 1      Background and Summary of Significant Accounting Policies**

Gettysburg Montessori Charter School (the School) is organized as a nonprofit corporation in Pennsylvania to operate a charter school in accordance with Pennsylvania Act 22 of 1997. The School is operating under a charter school contract commencing on July 1, 2010 and ending on June 30, 2015.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance) report on the School's general fund.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements:**

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The funds utilized by the School and brief descriptions of their accounting purposes are as follows:

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 1      Background and Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

General Fund – The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

*Proprietary Fund* - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the School:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services, and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Amounts reported as program revenues include a per-student subsidy from local school districts as well as federal and state grants. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**Method of Accounting**

The School has adopted the provision of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements – and Managements' Discussion and Analysis – for State and Local Governments.*" Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a statement of activities and changes in net assets. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These calculations are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 1      Background and Summary of Significant Accounting Policies (Continued)**

**Method of Accounting (Continued)**

- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

**Fund Balances - Governmental Funds**

The School elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Type Definition* during the year ended June 30, 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The School classified prepaid expenses and security deposits as being nonspendable as these items are not expected to be converted to cash.
- Restricted - included amounts restricted by external sources, such as creditors or grantors, or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees.
- Assigned - includes amounts that the School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned - includes all amounts that are not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 1      Background and Summary of Significant Accounting Policies (Continued)**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School only has a general fund budget; therefore, the original budget filed and accepted by the Pennsylvania Department of Education is the final budget as well.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Transfers**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Concentration of Credit Risk**

The School maintains cash balances with one bank. As of June 30, 2012 the cash balances are fully insured by the Federal Deposit Insurance Corporation (FDIC). Effective January 1, 2013 the FDIC reduced coverage on non-interest bearing accounts to \$250,000 per bank.

**Cash and Cash Equivalents**

The School's cash is considered to be cash on hand and demand deposits.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Capital assets of the School are depreciated using the straight-line method over the useful lives of the assets; furniture and equipment (5 years).

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 1      Background and Summary of Significant Accounting Policies (Continued)**

**Advertising Costs**

All costs associated with advertising and promotions are recorded as expenditures in the year incurred.

**Income Tax Status**

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The School adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management evaluated the School's tax positions and concluded that the School had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The School files a Return of Organizations Exempt from Income Tax annually. The School's returns for 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

**Note 2      Cash**

The School's cash and cash equivalents balance at June 30, 2012 was \$25,621. The actual amount of cash on deposit in the School's bank accounts at June 30, 2012 was \$49,697. The entire amount held at the bank was insured by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk-Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the School's uninsured deposits may not be returned. The School does not have a policy for custodial credit risk.

**Note 3      Receivables**

Receivables as of June 30, 2012 consist primarily of subsidies from federal, state, and local authorities. All receivables are considered collectible as of June 30, 2012.

**Note 4      Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance, 7/1/2011	Additions	Deletions	Balance, 6/30/12
Furniture and Equipment	\$ 7,190	\$ -	\$ -	\$ 7,190
Less: accumulated depreciation	928	1,438	-	2,366
	\$ 6,262	\$ (1,438)	\$ -	\$ 4,824

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 4 Capital Assets (Continued)**

Depreciation expense was \$1,438 for the year ended June 30, 2012.

**Note 5 Line of Credit**

The School maintains a \$150,000 line of credit agreement (line) with Meridian Bank expiring April 1, 2013, which accrues interest at 5%. The line is for working capital purposes and is collateralized by School assets. As of June 30, 2012, \$87,331 was available to be drawn upon.

Line of credit activity for the year ended June 30, 2012 was as follows:

Beginning balance	\$	111,500
Additions		100,169
Reductions		(149,000)
Ending balance	\$	62,669

**Note 6 Funding**

The School received funding from various local school districts on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis. The Commonwealth of Pennsylvania makes contributions on behalf of the charter school for the employer's share of retirement payments and social security payments.

**Note 7 Interfund Transfers**

Operating transfers in/out to other funds consists of the following:

	Transfer In	Transfer Out
General fund	\$ -	\$ 232
Food service fund	232	-
	\$ 232	\$ 232

**Note 8 Commitments**

The School leases its facilities in Gettysburg, Pennsylvania with the Gettysburg Area School District under an operating lease expiring on June 30, 2016. Future minimum lease payments required under the lease are \$132,110 for the years ending June 30, 2013 through June 30, 2016. Rent expense was \$133,560 for the year ended June 30, 2012.

**Gettysburg Montessori Charter School**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 9 Retirement Plan**

The School contributes to the Public School Employees' Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System, which provides retirement and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and health care insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 PA.C.S. 8101-8535) assigns the authority to establish and amend benefit provisions to the System. The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Office of Financial Management, Public School Employees' Retirement System, PO Box 125, Harrisburg, PA 17108-0125. This publication is also available on the PSERS website at [www.psers.state.pa.us/publications/cafr/index.htm](http://www.psers.state.pa.us/publications/cafr/index.htm).

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. The rate of contribution for employees ranges from 5.25% - 7.5% depending upon classification and elections of employees. The School's contribution is 8.65%. In accordance with Act 29 of 1994, the Commonwealth of Pennsylvania will pay school entities for contributions made to the System based on the formula in Act 29 of 1994, but not less than one-half of the school entities contributions. The School's contributions to the Plan were \$26,465 and \$12,524 for the years ended June 30, 2012 and 2011, respectively, which equals 100% of the contractually required contribution as set by State statutes.

**Note 10 Related Party Transaction**

The School's former CEO owns and operates a private unrelated preschool. Rent is based on the number of enrolled students. The unpaid balance of \$4,699 was deemed uncollectible.

**Note 11 Grants**

The School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Note 12 Risk Management**

The School is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks.

**Supplementary Information**

**Gettysburg Montessori Charter School  
Governmental Fund Budgetary Comparison Schedule  
Year Ended June 30, 2012**

	Original/ Final Budget	Actual Revenues/ Expenditures	Variance With Budget
<b>Revenues</b>			
Local educational agency assistance	\$ 881,263	\$ 673,513	\$ (207,750)
Other sources	-	29,611	29,611
State sources	28,149	15,861	(12,288)
Federal sources	2,500	4,601	2,101
	<u>911,912</u>	<u>723,586</u>	<u>(188,326)</u>
<b>Expenditures</b>			
Instruction	350,984	355,451	(4,467)
Support services	440,151	320,599	119,552
Noninstructional services	7,000	1,272	5,728
Debt service	55,100	4,684	50,416
	<u>853,235</u>	<u>682,006</u>	<u>171,229</u>
<b>Excess of Revenues Over Expenditures</b>	58,677	41,580	(17,097)
<b>Other Financing Sources</b>			
Interfund transfers in	-	(232)	232
<b>Excess of Expenditures over Revenues and Other Financing Sources</b>	58,677	41,348	(17,329)
<b>Fund Balance, Beginning</b>	<u>(82,489)</u>	<u>(82,489)</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ (23,812)</u>	<u>\$ (41,141)</u>	<u>\$ (17,329)</u>

See accompanying notes to financial statements.

**Other Reports Required By Government Auditing Standards**

**Independent Auditors' Report on Compliance  
and on Internal Control over Financial Reporting  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

To the Board of Trustees  
Gettysburg Montessori Charter School  
Gettysburg, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, and the major fund of Gettysburg Montessori Charter School (the School) as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon, dated November 6, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as identified above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Siegel & Drossner, P.C.*

Certified Public Accountants  
Elkins Park, Pennsylvania

November 6, 2012