
ISLAND VILLAGE MONTESSORI NORTH, INC.

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2009

MARK ESCOFFERY P.A.
CERTIFIED PUBLIC ACCOUNTANT

ISLAND VILLAGE MONTESSORI NORTH, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of Island Village Montessori
North, Inc.
Venice, Florida

I have audited the accompanying Financial Statements of the governmental activities, and each major fund, of the Island Village Montessori North, Inc. ("the School") a component unit of the District School Board of Sarasota County as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the foregoing Table of Contents. These financial statements are the responsibility of the Management of the School. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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 of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the School as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2009, on my consideration of the School's internal control over financial reporting and my 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 my 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 my audit.

To The Board Members of Island Village Montessori
North, Inc.

Venice, Florida

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The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Board. I have applied certain limited procedures, which consisted principally of inquiries of Management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprised the School's basic financial statements. The accompanying Supplementary Schedule of Expenditures, Budget and Actual – Governmental Fund (General Fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mark E. Coffey, P.A.

Palm Beach Gardens, Florida
October 14, 2009

**ISLAND VILLAGE MONTESSORI NORTH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Our discussion and analysis of Island Village Montessori North, Inc.'s ("the School") financial program provides an overview of the School's financial activities for the year ended June 30, 2009.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the School's financial statements which begin on page 7.

For financial statement purposes the School is considered a component unit of the District School Board of Sarasota County which is a primary government entity for financial reporting. The School used the option to present the governmental standards and fund statement on the same page. The Statement of Net Assets and the Statement of Activities report provide information on the activities of the School. The fund financial statements reflect financing activities of the School by providing information on inflows and outflows of spendable resources.

NON FINANCIAL HIGHLIGHTS

The School's average daily enrollment for fiscal year ended June 30, 2009 was 25 students as budgeted. The School expects to have an enrollment of 40 students for the school year 2009-2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's financial position. Included in these statements are all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are recorded when received.

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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

**ISLAND VILLAGE MONTESSORI NORTH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd.)

Fund Financial Statements (Cont'd.)

Governmental Funds – All 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. The governmental fund statements provide a detailed short-term view of the School's governmental activities and the basic services it provides.

Notes to Financial statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on Pages 13-16 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the School's financial position. The School's assets exceeded liabilities by \$75,727 at June 30, 2009.

NET ASSETS

	<u>6/30/09</u>	<u>6/30/08</u>
Current and Other Assets	\$ 55,651	\$ 84,770
Capital Assets	24,076	26,007
Total Assets	<u>\$ 79,727</u>	<u>\$ 110,777</u>
Long-Term Liabilities	-	-
Other Liabilities	4,000	13,770
Total Liabilities	<u>\$ 4,000</u>	<u>\$ 13,770</u>
Investment in Capital Assets	24,076	26,007
Unrestricted	51,651	71,000
Total Net Assets	<u>\$ 75,727</u>	<u>\$ 97,007</u>

Revenues from governmental activities totaled \$306,971 for the year ended June 30, 2009. The main source of revenue is from Florida Education Finance Program (FEFP). This revenue represented approximately 53.5% of total revenue.

**ISLAND VILLAGE MONTESSORI NORTH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd.)

<u>Revenue Source</u>	<u>6/30/09</u>	<u>% of Total 6/30/09</u>	<u>6/30/08</u>	<u>% of Total 6/30/08</u>
State Sources	\$ 184,681	59.1	257,701	89.4
Federal Sources	122,290	39.1	22,989	8.0
Local Sources	5,584	1.8	7,650	2.6
Total	\$ 312,555	100.0	\$ 288,340	100.0

The School received \$122,290 in Federal Dissemination Grant for the year ended June 30, 2009.

Local revenue sources are primarily fund raising efforts conducted by the Board of Directors and parents on behalf of the School.

Changes in levels of expenses for major functions of the School are shown in the following table:

<u>Expense</u>	<u>6/30/09</u>	<u>% of Total 6/30/09</u>	<u>6/30/08</u>	<u>% of Total 6/30/08</u>
Instruction	\$ 221,359	66.3	\$ 156,680	63.9
Pupil Personnel	13,250	4.0	-	-
School Administration	67,153	20.1	23,454	9.6
Fiscal Services	4,000	1.2	4,000	1.6
Facilities Acquisition	15,221	4.6	-	-
Operation of Plant	3,448	1.0	39,611	16.2
Plant Maintenance	2,523	.8	17,528	7.1
Depreciation	6,881	2.0	3,992	1.6
Total	\$ 333,835	100.0	\$ 245,265	100.0

BUDGETARY HIGHLIGHTS

Federal source revenue was \$57,190 more than budget because the School received more in Dissemination Grant than originally budgeted. Local source revenue was approximately \$60,000 less than budgeted because the School had budgeted for preschool income but did not have a preschool program.

Expenditures were more than budget by \$26,738. Instruction was \$27,848 more than budget because of costs associated with Federal Dissemination Grant.

Total fund balance of the General Fund was \$51,651 at June 30, 2009.

**ISLAND VILLAGE MONTESSORI NORTH, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

CAPITAL ASSETS

The School's investment in capital assets at June 30, 2009 was \$24,076 (net of depreciation). The investment is comprised primarily of furniture, fixtures and equipment and building improvements. The following is a summary of capital assets balances at June 30, 2009:

Furniture, Fixtures & Equipment	\$ 33,991
Building Improvements	4,950
	<u>38,941</u>
Less Accumulated Depreciation	14,865
	<u><u>\$ 24,076</u></u>

PROSPECTS FOR THE FUTURE

The School continues to receive funds from State sources in the form of Florida Education Finance Program Fees (FEFP). The fees are evaluated in October and February and are based on student enrollment.

- . The Administration believes that high test scores will to be achieved because of investments in reading and math computer based programs.
- . The School should surpass its budgeted amount of 40 students for the 2009-2010 school year.
- . The Administration believes that the School will continue to progress and contribute to the educational needs of Sarasota County.

ISLAND VILLAGE MONTESSORI NORTH, INC.
Governmental Fund (General Fund) Balance Sheet/Statement of Net Assets
June 30, 2009

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash	\$10,437	\$	\$10,437
Accounts Receivable	45,214		\$45,214
Capital Assets		24,076	24,076
Total Assets	\$55,651	\$24,076	\$79,727
LIABILITIES			
Accounts Payable	4,000		4,000
Total Liabilities	4,000		4,000
FUND BALANCE/NET ASSETS			
Undesignated	51,651	(51,651)	
Total Liabilities and Fund Balance	\$55,651		
Net Assets			
Investment in capital assets ,net of related debt		24,076	24,076
Unrestricted		51,651	51,651
Total Net Assets		\$75,727	\$75,727

The accompanying notes are an integral part of this statement

ISLAND VILLAGE MONTESSORI NORTH, INC.
Reconciliation of the Governmental Fund (General Fund)
Balance Sheet To The Statement of Net Assets
June 30, 2009

Fund Balance- Governmental Funds		\$51,651
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$38,941	
Less accumulated depreciation	<u>(14,865)</u>	
		24,076
 Net Assets of Governmental activities		 <u><u>\$75,727</u></u>

The accompanying notes are an integral part of this statement

ISLAND VILLAGE MONTESSORI NORTH, INC.
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance/Statement of Activities
Year ended June 30, 2009

	Governmental <u>Funds</u>	Special Revenue <u>Funds</u>	<u>Total</u>
REVENUES:			
State sources	\$184,681	\$	184,681
Federal sources		122,290	122,290
Local sources	5,584		5,584
TOTAL REVENUES	<u>190,265</u>	<u> </u>	<u>312,555</u>
EXPENDITURES/EXPENSES			
Instruction	99,069	122,290	221,359
Pupil personnel	13,250		13,250
School Administration	67,153		67,153
Fiscal Services	4,000		4,000
Facilities acquisition	15,221		15,221
Operation of Plant	3,448		3,448
Plant Maintenance	2,523		2,523
Capital Outlay	4,950		4,950
Depreciation			
TOTAL EXPENSES	<u>209,614</u>	<u>122,290</u>	<u>331,904</u>
EXCESS OF REVENUES OVER EXPENDITURES	(19,349)		(19,349)
FUND BALANCE/NET ASSETS			
Beginning of Year	71,000		71,000
End of Year	<u>\$51,651</u>	<u>\$</u>	<u>\$51,651</u>

The accompanying notes are an integral part of this statement

ISLAND VILLAGE NORTH CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES
June 30, 2009

FUNCTIONS	Program Revenues			Capital		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction	\$ 221,359	\$ 731	\$ 122,290	\$	\$ (98,338)		(98,338)
Pupil Personnel Services	13,250				(13,250)		(13,250)
School Administration	67,153				(67,153)		(67,153)
Facilities Acquisition and Construction	15,221			20,350	5,129		5,129
Fiscal Services	4,000				(4,000)		(4,000)
Operation of Plant	3,448				(3,448)		(3,448)
Maintenance of Plant	2,523				(2,523)		(2,523)
Unallocated Depreciation Expense *	6,881				(6,881)		(6,881)
Total governmental activities	333,835	731	122,290	20,350	(190,464)		(190,464)
Business-type activities:							
Totals	333,835	731	122,290	20,350	(190,464)		(190,464)
General Revenues:							
Taxes:							
Florida Education Finance Program (FEFP)					164,331		164,331
Grants and contributions not restricted to specific programs					4,853		4,853
Total general revenues, special items, and transfers					169,184		169,184
Change in net assets					(21,280)		(21,280)
Net assets-beginning					97,007		97,007
Net assets-ending					\$75,727		\$75,727

The accompanying notes are an integral part of this statement
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ISLAND VILLAGE NORTH CHARTER SCHOOL, INC.
Statement of Revenues, Expenditures and Changes
In Fund Balance-Budget (GAAP Basis) and Actual
All Governmental Fund Types
Year Ended June 30, 2009

	Governmental Funds				Special				Totals			
	Final Budget	General Fund	Variance	Final Budget	Revenue Fund	Variance	Budget	Governmental Funds	Variance	Budget	Governmental Funds	Variance
REVENUES:												
State sources	\$179,811	\$184,681	\$4,870	65,100	122,290	57,190	\$179,811	\$184,681	\$4,870	\$179,811	\$184,681	\$4,870
Federal sources							65,100	122,290	57,190	65,100	122,290	57,190
Local sources	65,476	5,584	(59,892)				65,476	5,584	(59,892)	65,476	5,584	(59,892)
TOTAL REVENUES	245,287	190,265	(55,022)	65,100	122,290	57,190	310,387	312,555	2,168	310,387	312,555	2,168
EXPENDITURES:												
Instruction	128,411	99,069	(29,342)	65,100	122,290	57,190	193,511	221,359	27,848	193,511	221,359	27,848
Pupil personnel		13,250	13,250					13,250	13,250		13,250	13,250
School Administration	74,261	67,153	(7,108)				74,261	67,153	(7,108)	74,261	67,153	(7,108)
Fiscal Services	4,000	4,000	0				4,000	4,000	0	4,000	4,000	0
Facilities acquisition	18,693	15,221	(3,472)				18,693	15,221	(3,472)	18,693	15,221	(3,472)
Operation of Plant	11,723	3,448	(8,275)				11,723	3,448	(8,275)	11,723	3,448	(8,275)
Plant Maintenance	2,183	2,523	340				2,183	2,523	340	2,183	2,523	340
Capital Outlay	795	4,950	4,155				795	4,950	4,155	795	4,950	4,155
	237,088	209,614	(30,452)	65,100	122,290	57,190	305,166	331,904	26,738	305,166	331,904	26,738
Net Changes in Fund Balance												
Fund Balance, beginning of year		(\$19,349)	(\$24,570)		\$0	\$0		(\$19,349)	(\$24,570)		(\$19,349)	(\$24,570)
Fund balance, end of year		71,000						71,000			71,000	
		\$51,651			\$0	\$0		\$51,651			\$51,651	

The accompanying notes are an integral part of this statement

ISLAND VILLAGE MONTESSORI NORTH, INC.
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of Governmental Fund To The
Statement of Activities
June 30, 2009

Net Changes in Fund Balances- Governmental Funds (\$19,349)

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$4,950	
Less current year depreciation	<u>(6,881)</u>	
		<u>(1,931)</u>

Change in Net Assets of Governmental Activities (\$21,280)

The accompanying notes are an integral part of this statement

**ISLAND VILLAGE MONTESSORI NORTH, INC.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Island Village Montessori North, Inc. (“the School”) established in August 2004, is a unit under the nonprofit organization Island Village Montessori Charter School, Inc., and is the reporting entity.

The School operates as a Charter School pursuant to a Charter School Contract (the Contract) with the School District of Sarasota County, Florida. Under the Contract the School provides a Montessori education to children from kindergarten through third grade. For financial statement purposes the School is considered a component unit of the School District of Sarasota County which is a primary government entity for financial reporting.

The School District of Sarasota County received 5% of the Florida Education Finance Program (FEFP) revenue as an administrative fee.

The Contract is effective through June 2010. The Contract requires the School District to provide the School’s primary source of funding based upon the number of full-time equivalent students (FTES) registered at the School.

The School uses the tax exempt status of Island Village Montessori Charter School, Inc. which is a 501(C)(3) organization with the Internal Revenue Service.

The School’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for school districts through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements

The School’s basic financial statements are the Statements of Net Assets and the Statement of Activities. All the activities of the School are classified as governmental type activities. There are no business type activities of the School. All the School’s governmental type activities are included in the general fund. There are no other major or non major funds. In the Statement of Net Assets, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School’s net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Activities reports both the gross and net cost of each of the School’s functions. The functions are also supported by government revenues such as Florida Education Finance Program (FEFP), Capital Outlay Funds and Federal Grants. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital

ISLAND VILLAGE MONTESSORI NORTH, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Basic Financial Statements (Cont'd.)

grants. Program revenues must be directly associated with the function (after care and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Basis of Accounting

Basic of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounting and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental type activities in the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, the unrestricted resources as they are needed.

Measurement Focus

The accounting and financial reporting treatment is determined by applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet and operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

ISLAND VILLAGE MONTESSORI NORTH, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Measurement Focus (Cont'd.)

The School reports the following governmental funds:

The General Fund is used to account for all financial resources not required to be accounted for in another fund.

The Special Revenue Fund is used to account for all specific revenue resources that are legally restricted to expenditures for specified purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that subject the School to concentrations of credit risk include cash and deposits. While the School attempts to limit its financial exposure, its cash balances may at times exceed federally insured limits. The School has not experienced any losses on such balances.

Cash deposits are held at banks qualified as public depositories under Florida law.

Contributed Services

The School does not recognize any support, revenue or expense from services contributed by individual volunteers because they do not meet the criteria for measurement.

Budgetary Basis of Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year expenditures were controlled at the object level (i.e. salaries, purchased services, and capital outlay).

Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**ISLAND VILLAGE MONTESSORI NORTH, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009.**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Capital Assets (Cont'd.)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture, Fixtures and Equipment	5-10 Years
Building Improvements	15 Years

NOTE 2 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009, were as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Dis-</u> <u>posals</u>	<u>Balance</u> <u>Ending</u>
Furniture, Fixtures and Equipment	\$ 33,991	\$ -	\$ -	\$ 33,991
Building Improvements	-	4,950	-	4,950
	33,991	4,950	-	38,941
Less Accumulated Depreciation	7,984	6,881	-	14,865
	\$ 26,007	\$ (1,931)	\$ -	\$ 24,076

Depreciation expense of \$6,881 was charged to administrative and general expenses during the year ended June 30, 2009.

The beginning balance has been restated to conform to current presentation.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

Risk Management

The School is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The School purchases commercial insurance for all material risks of loss to which the School is exposed, including general liability, property, auto and workers compensation. A review of the last three years reveals that settled claims have not exceeded insurance coverage.

The School receives funding from the state of Florida based on the number of full time equivalent (FTE) students who attend the Charter School. The data is compiled by the School and is subject to audit by the State and if errors are found this could result in amounts having to be repaid to the State or decrease in future allocations. Management believes that the amounts that would have to be remitted to the State due to errors in the FTE count would not be material to the financial position of the School.

ISLAND VILLAGE MONTESSORI NORTH, INC.
Supplemental Schedule of Expenditures
Budget and Actual- Governmental Fund (General Fund)
Year Ended June 30, 2009

	Governmental Fund		
	Original and Final Budget	Actual	Variance
Instructional			
Salaries	\$90,000	\$84,350	(\$5,650)
Payroll Taxes	6,396	7,318	922
Fringe Benefits	32,015	7,401	(24,614)
Total Instructional	<u>\$128,411</u>	<u>\$99,069</u>	<u>(\$29,342)</u>
Pupil Personnel			
Purchased services		<u>\$13,250</u>	<u>\$13,250</u>
School Administration			
Professional	\$66,765	\$67,016	\$251
Equipment rental	728		(728)
Purchased services	6,768	137	(6,631)
Total School Administration	<u>\$74,261</u>	<u>\$67,153</u>	<u>(\$7,108)</u>
Fiscal Services			
Professional & Technical	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>
Facilities Acquisition			
Building rent	<u>\$18,693</u>	<u>\$15,221</u>	<u>(\$3,472)</u>
Operation of Plant			
Utilities	\$6,611	\$3,448	(\$3,163)
Insurance	2,161		(2,161)
Supplies	2,951		(2,951)
Total Operation of Plant	<u>\$11,723</u>	<u>\$3,448</u>	<u>(\$8,275)</u>
Plant Maintenance			
Repairs and Maintenance	<u>\$2,183</u>	<u>\$2,523</u>	<u>\$340</u>
Capital Outlay			
Building and Equipment	<u>\$795</u>	<u>\$4,950</u>	<u>\$4,155</u>

Mark Escoffery, P.A.

Certified Public Accountant

4241-A Northlake Boulevard
Palm Beach Gardens, FL 33410

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board Members of Island Village Montessori
North, Inc.
Venice, Florida

I have audited the financial statements of the Island Village Montessori North, Inc., (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued my report thereon dated October 14, 2009. I conducted my 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 of America.

Internal Control over financial Reporting

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

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Continued)**

To the Board Members of Island Village Montessori
North, Inc.
Venice, Florida
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board Members, Management, others within the School 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.

Mark E. Coffey, P.A.

Palm Beach Gardens, Florida
October 14, 2009

Mark Escoffery, P.A.

Certified Public Accountant

4241-A Northlake Boulevard
Palm Beach Gardens, FL 33410

MANAGEMENT LETTER

Tel (561) 627-1404
Fax (561) 627-3844

To the Board Members of Island Village Montessori
North, Inc.
Venice, Florida

I have audited the basic financial statements of the Island Village Montessori North, Inc., as of and for the year ended June 30, 2009, and have issued my report thereon dated October 14, 2009.

I have issued my Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance dated October 14, 2009. Disclosures in that report, if any, should be considered in conjunction with this management letter.

I conducted my 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 of America. Additionally, my audit was conducted in accordance with the Provisions of Chapter 10.850, **Rules of the Auditor General**, which govern the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

The **Rules of the Auditor General** Section 10.854(1)(d)2 require that I comment on whether the School has met any of the conditions described in Section 218.503(1), Florida Statutes. The School has not met any of the conditions described in Section 218.503(1), Florida Statutes.

The **Rules of the Auditor General** Section 10.854(1)(d)5 require that I state whether there were any findings or recommendations made in the current year. There are no findings and recommendations made for the current year ended June 30, 2009.

The **Rules of the Auditor General** Section 10.855(10) require that I state whether the scope of the audit included the use of financial condition assessment procedures to determine whether deteriorating financial conditions exist pursuant to Section 218.39(5) Florida Statutes. The scope of the audit included the use of financial condition assessment procedures and there were no deteriorating financial condition existing pursuant to Section 218.39(5) Florida Statutes.

OTHER CURRENT YEAR COMMENTS

My report did not disclose any additional items that would be required to be reported under Chapter 10.854(1)(d) **Rules of the Auditor General**.

This report is intended solely for the information and use of the School's Board Members, Management, pass-through entities and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Palm Beach Gardens, Florida
October 14, 2009

Mark Escoffery, P.A.