

MONUMENT ACADEMY

FINANCIAL STATEMENTS

June 30, 2010

MONUMENT ACADEMY

ROSTER OF SCHOOL OFFICIALS

June 30, 2010

BOARD OF DIRECTORS

Tim Reiman, President

Jason Douglas, Vice President

Bob Linza, Secretary

Jay McKeown, Treasurer

Will Cochran

SCHOOL MANAGEMENT

Lis Richard, Principal

Nancy Tive, Senior Accountant

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Board of Directors
Monument Academy
Monument, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monument Academy, component unit of Lewis-Palmer School District #38, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of Monument Academy, as listed in the table of contents. These financial statements are the responsibility of Monument Academy's management. Our responsibility is to express opinions 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. 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, the business-type activities, each major fund, and the aggregate remaining fund information of Monument Academy as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monument Academy's basic financial statements. The supplementary information listed in the table of contents 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

September 21, 2010

Management's Discussion and Analysis

As management of the Monument Academy Charter School (the Academy), we offer readers of the Academy's financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2010.

Financial Highlights

The assets of the Academy exceeded its liabilities at the close of the most recent fiscal year by \$772,300 (net assets). The Monument Academy Building Corporation's (the Corporation) liabilities exceeded its assets by \$151,409 for a combined Net Asset balance of \$620,891.

At the close of fiscal year 2009-2010, its fourteenth year of operation, the Academy's governmental fund, the General Fund, reported an ending fund balance of \$778,555, an increase of \$329,579 over the prior year.

The Academy opened the doors of its new building during the fiscal year ended June 30, 2009. The new facility has produced notable increases in enrollment for the fiscal years ended June 30, 2009 and June 30, 2010.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide Financial Statements

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

The statement of net assets presents information on all of the Academy'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 Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy'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. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g. earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the Academy supported primarily by per pupil revenue (PPR) passed through from the District (Lewis-Palmer School District 38). The governmental activities of the Academy include instruction and supporting services expense.

The government-wide financial statements can be found on pages 1-2 of this report.

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. The Academy, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Academy consist of a governmental fund, a proprietary fund and a fiduciary fund.

Governmental fund

The Governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The Academy maintains one governmental fund, the general fund. The Academy adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary fund

The Academy also maintains a proprietary fund for the Corporation. Information is presented in the statement of net assets, statement of revenues, expenses and change in net assets, and the statement of cash flows.

Fiduciary fund

The Fiduciary fund is used to account for resources held for the benefit of parties outside the School. The Fiduciary fund is not reflected in the government-wide financial statement because the resources of those funds are not available to support the School's own programs.

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. This information is provided in pages 9-17.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Academy, assets exceeded liabilities for both Governmental Activities and Business-Type activities by \$620,891 at the close of the fiscal year.

Monument Academy Charter School's Net Assets For the Years Ended June 30, 2010 & 2009

	Governmental Activities <u>June 30, 2010</u>	Governmental Activities <u>June 30, 2009</u>	Business Type Activities <u>June 30, 2010</u>	Business Type Activities <u>June 30, 2009</u>
Cash and investments	\$ 1,090,153	\$ 754,925	\$ -	\$ -
Restricted Cash & Investments	-	-	1,653,731	1,595,374
Accounts Receivable	12,566	18,643	-	-
Debt Issue Costs, Net	-	-	366,544	379,797
Capital Assets, Net	37,283	-	11,745,865	11,979,240
Total Assets	<u>1,140,002</u>	<u>773,568</u>	<u>13,766,140</u>	<u>13,954,411</u>
Current liabilities	338,001	324,592	402,549	394,311
Noncurrent liabilities	29,701	19,734	13,515,000	13,710,000
Total Liabilities	<u>367,702</u>	<u>344,326</u>	<u>13,917,549</u>	<u>14,104,311</u>
Net assets				
Invested in Capital Assets	37,283	-	(1,597,591)	(1,338,086)
Restricted for:				
Debt Service	-	-	1,383,833	1,145,933
Repair & Replacement	-	-	62,349	42,253
Emergencies	143,682	121,800	-	-
Instructional Supplies	27,796	102,249	-	-
Unrestricted	563,539	205,193	-	-
Total Net Assets	<u>\$ 772,300</u>	<u>\$ 429,242</u>	<u>\$ (151,409)</u>	<u>\$ (149,900)</u>

Governmental Fund

The largest portion of the Monument Academy Charter School's Governmental Activities' assets is cash and investments (95.6%). The \$335,228 increase in cash and investments is a direct reflection of the Academy's increase in net assets. 1.1 % of the Academy's net assets are accounts receivable and 3.3% reflects net capital assets. Net capital assets of \$37,283 consists of snow removal equipment, a scrubber and security cameras purchased during the fiscal year, net of depreciation.

Liabilities for Monument Academy increased 6.8% to \$367,702. This \$23,376 increase is largely the result of an increase in the year end salary and benefits accrual due to additional staff hired during the 2009/2010 school year.

Building Corporation

The \$233,375 decrease in Capital assets, Net was because current year depreciation (\$288,573) was greater than current year additions to Capital assets (\$55,198). There was a bond principal payment of \$170,000 during the fiscal year ended June 30, 2010 resulting in a decrease in Total Liabilities.

Monument Academy Charter School's Change in Net Assets For the Years Ended June 30, 2010 & 2009

	Governmental Activities <u>June 30, 2010</u>	Governmental Activities <u>June 30, 2009</u>	Bus. Type Activities <u>June 30, 2010</u>	Bus. Type Activities <u>June 30, 2009</u>
Program Revenue:				
Charges for Services	\$ 236,215	\$ 298,649	\$ -	\$ -
Operating Grants and Contr.	12,122	7,698	-	-
Total Program Revenue	<u>248,337</u>	<u>306,347</u>	-	-
General Revenue and Transfers				
Per Pupil Revenue	4,374,395	3,623,536	-	-
Capital Construction	63,565	59,720	-	-
Investment Earnings	9,224	14,471	120,993	78,681
Contribut. Program not Restr.	55,215	102,777	-	-
Other	38,679	36,369	-	-
Total General Revenue	<u>4,541,078</u>	<u>3,836,873</u>	<u>120,993</u>	<u>78,681</u>
Transfers	<u>(1,012,456)</u>	<u>(690,683)</u>	<u>1,012,456</u>	<u>690,683</u>
Total Revenue	<u>3,776,959</u>	<u>3,452,537</u>	<u>1,133,449</u>	<u>769,364</u>
Expenses:				
Current:				
Instruction	2,500,236	2,317,734	-	-
Supporting Services	933,665	1,038,123	1,134,958	934,740
Total Expenses	<u>3,433,901</u>	<u>3,355,857</u>	<u>1,134,958</u>	<u>934,740</u>
Increase (Decrease) Net Assets	343,058	96,680	(1,509)	(165,376)
Beginning Net Assets, July 1	<u>429,242</u>	<u>332,562</u>	<u>(149,900)</u>	<u>15,476</u>
Ending Net Assets, June 30	<u>\$ 772,300</u>	<u>\$ 429,242</u>	<u>\$ (151,409)</u>	<u>\$ (149,900)</u>

Financial Analysis of the Government's Funds

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Fund

Total revenues increased 15.6% primarily because of increased enrollment in grades K-8 which directly affects total Per Pupil Revenue. Charges for Services decreased \$62,434 due to a decrease in preschool enrollment from the prior fiscal year. Contributions decreased \$47,562 because there was a one-time donation in the prior fiscal year from the Monument Academy Foundation from a land sale. The increase in total expenses can be attributed to the increase in overall student enrollment and additional hires.

Building Corporation

The school building was successfully opened in September 2008. The Academy is obligated under a lease agreement to make monthly payments to the Corporation for the use of the educational facility. In turn, the Corporation makes payments to the Trustee to cover the bond debt service payments. The Corporation's Total Revenue is primarily a result of the lease payments received from the Academy recorded in the preceding report's "Transfers" line. During the 2009/2010 fiscal year, there were 12 lease payments from the Academy attributed to the Series 2007 bonds, whereas there were only 9 payments during the 2008/2009 fiscal year. In addition, during the 2009/2010 fiscal year, lease payments from the Series 2008 bonds began.

General Fund Budgetary Highlights

The School approved a preliminary budget of \$4,443,557 in April 2009 based on enrollment projections for the 2009/2010 school year. In October, after enrollment was officially counted, adjustments were made to the budget and a revised budget of \$4,566,190 was approved. Monument Academy had originally projected 635 student FTEs and had a final October FTE count of 651.58 for FY 2009/2010. There were variances as shown in the budget to actual comparison on page 18. Total revenue was higher than budgeted revenue by \$110,046. This can be attributed to two main factors: Per Pupil Revenue was budgeted lower than actual because of uncertainty at the State level. Secondly, Capital Construction Grant Revenue of \$63,565 was received but not budgeted, again due to uncertainty at the State level. Actual expenditures were lower than budgeted expenditures by \$79,477. Employee benefits were favorable by approximately \$47,000 because PERA was calculated higher than the actual contribution rate, and a one-month health insurance "holiday" was given during the fiscal year. Also, a budgeted commissioning study (\$13,400) was not undertaken during the year, as well as lower than expected legal, accounting and insurance charges paid during 2009/2010.

Capital Assets/Debt

During the start of the 2008/2009 year, the Academy opened the doors to its new facility and began monthly lease payments to the Corporation. The total initial amount of debt issued to construct the facility and purchase the land was \$12,270,000. Construction completion bonds in the amount of \$1,610,000 were also issued during the 2008/2009 fiscal year. The total costs related to construction and land acquisition at June 30, 2010 were \$12,261,462, net of \$478,314 of accumulated depreciation, on the Corporation's Statement of Net Assets. Depreciation expense of \$288,573 was recorded for fiscal year 2009/2010. In the General fund, equipment of \$41,426 was added to capital assets during FY 09/10, including snow removal equipment, cameras and a scrubber. In July 2009, the

school entered into a lease agreement for the snow equipment. The agreement requires annual lease payments of \$6,695 through July 2015.

Economic Factors and Next Year's Budget/Student Count

Monument Academy is funded by the State of Colorado based on number of students enrolled. The Academy's funded pupil count increased from 555.7 in 2008/2009 to 651.58 in 2009/2010. This represents a 17.3% increase. In addition, the preliminary funded pupil count for the 2010/2011 school year is 754 students, a 15.7% increase from 2009/2010. The increase in students in 2009/2010 lessened the effect of the State of Colorado's reduction in per pupil funding. In 2010/2011 per pupil funding has been cut at the State level again. 2010/2011's funding is approximately \$242 lower per pupil than in 2009/2010. The 2009/2010 PPR was approximately \$6,714 and the 10/11 PPR is currently \$6,472. To be conservative, and in case the State has a further reduction of PPR, the Academy has prepared its 2010/2011 budget with PPR of \$6,250. The FY 2010/2011 budget projects the Academy's general fund ending fund balance to increase approximately \$109,000 or 14%. Because of student growth, coupled with the implementation of student fees in 2010/2011 to cover the cost of instructional materials, Monument Academy finds itself in a more favorable position than many schools in Colorado. This significant growth attests to the quality of education gained by Monument Academy students.

Requests for Information

This financial report is designed to provide a general overview of Monument Academy Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Nancy Tive, Senior Accountant, Monument Academy Charter School, 1150 Village Ridge Point, Monument, CO 80132.

BASIC FINANCIAL STATEMENTS

MONUMENT ACADEMY

STATEMENT OF NET ASSETS

June 30, 2010

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTALS</u>
ASSETS			
Cash and Investments	\$ 1,090,153	\$ -	\$ 1,090,153
Restricted Cash and Investments	-	1,653,731	1,653,731
Accounts Receivable	12,566	-	12,566
Debt Issuance Costs, Net of Accumulated Amortization	-	366,544	366,544
Capital Assets, Not Being Depreciated	-	718,527	718,527
Capital Assets, Net of Accumulated Depreciation	<u>37,283</u>	<u>11,027,338</u>	<u>11,064,621</u>
TOTAL ASSETS	<u>1,140,002</u>	<u>13,766,140</u>	<u>14,906,142</u>
LIABILITIES			
Accounts Payable	8,583	-	8,583
Accrued Salaries and Benefits	278,295	-	278,295
Deferred Revenue	37,286	-	37,286
Accrued Interest Payable	-	207,549	207,549
Noncurrent Liabilities			
Due Within One Year	13,837	195,000	208,837
Due in More Than One Year	<u>29,701</u>	<u>13,515,000</u>	<u>13,544,701</u>
TOTAL LIABILITIES	<u>367,702</u>	<u>13,917,549</u>	<u>14,285,251</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	37,283	(1,597,591)	(1,560,308)
Restricted for Debt Service	-	1,383,833	1,383,833
Restricted for Repairs and Replacement	-	62,349	62,349
Restricted for Instructional Supplies	27,796	-	27,796
Restricted for Emergencies	143,682	-	143,682
Unrestricted	<u>563,539</u>	<u>-</u>	<u>563,539</u>
TOTAL NET ASSETS	<u>\$ 772,300</u>	<u>\$ (151,409)</u>	<u>\$ 620,891</u>

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

MONUMENT ACADEMY

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental Activities			
Instruction	\$ 2,500,236	\$ 232,835	\$ 12,122
Supporting Services	933,665	3,380	-
Total Governmental Activities	3,433,901	236,215	12,122
Business-Type Activities			
Building Corporation	1,134,958	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,568,859	\$ 236,215	\$ 12,122

GENERAL REVENUES

Per Pupil Revenue
 Capital Construction
 Grants and Contributions not Restricted to
 Specific Programs
 Investment Income
 Other

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (2,255,279)	\$ -	\$ (2,255,279)
<u>(930,285)</u>	<u>-</u>	<u>(930,285)</u>
(3,185,564)	-	(3,185,564)
-	(1,134,958)	(1,134,958)
<u>(3,185,564)</u>	<u>(1,134,958)</u>	<u>(4,320,522)</u>
4,374,395	-	4,374,395
63,565	-	63,565
55,215	-	55,215
9,224	120,993	130,217
38,679	-	38,679
<u>(1,012,456)</u>	<u>1,012,456</u>	<u>-</u>
3,528,622	1,133,449	4,662,071
343,058	(1,509)	341,549
<u>429,242</u>	<u>(149,900)</u>	<u>279,342</u>
\$ <u>772,300</u>	\$ <u>(151,409)</u>	\$ <u>620,891</u>

MONUMENT ACADEMY

BALANCE SHEET
GOVERNMENTAL FUND

June 30, 2010

	<u>GENERAL FUND</u>
ASSETS	
Cash and Investments	\$ 1,090,153
Accounts Receivable	<u>12,566</u>
TOTAL ASSETS	\$ <u>1,102,719</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 8,583
Accrued Salaries and Benefits	278,295
Deferred Revenue	<u>37,286</u>
TOTAL LIABILITIES	<u>324,164</u>
FUND BALANCE	
Reserved for Instructional Supplies	27,796
Reserved for Emergencies	143,682
Unreserved, Reported in General Fund	<u>607,077</u>
TOTAL FUND BALANCE	<u>778,555</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>1,102,719</u>
 Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Total Fund Balance of the Governmental Fund	\$ 778,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	37,283
Long-term liabilities, including accrued compensated absences (\$20,347) and capital leases (\$23,191), are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(43,538)</u>
Total Net Assets of Governmental Activities	\$ <u>772,300</u>

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

MONUMENT ACADEMY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended June 30, 2010

	GENERAL FUND
REVENUES	
Local Sources	\$ 4,713,728
State Sources	66,800
Federal Sources	8,887
TOTAL REVENUES	4,789,415
EXPENDITURES	
Instruction	2,499,623
Supporting Services	1,987,090
TOTAL EXPENDITURES	4,486,713
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	302,702
OTHER FINANCING SOURCES	
Lease Proceeds	26,877
NET CHANGE IN FUND BALANCE	329,579
FUND BALANCE, Beginning	448,976
FUND BALANCE, Ending	\$ 778,555
 Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balance of the Governmental Fund	\$ 329,579
Capital outlays to purchase or construct capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$41,426 exceeded depreciation expense (\$4,143) in the current year.	37,283
Repayments of long-term debt are expenditures in governmental funds, but reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	3,686
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.	(26,877)
Some expenses reported in the statement of activities do not require the use of the current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued compensated absences.	(613)
Change in Net Assets of Governmental Activities	\$ 343,058

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

MONUMENT ACADEMY

STATEMENT OF NET ASSETS

PROPRIETARY FUND

June 30, 2010

	<u>BUILDING CORPORATION</u>
ASSETS	
CURRENT ASSETS	
Restricted Cash and Cash Equivalents	\$ 584,731
Restricted Investments	<u>1,069,000</u>
TOTAL CURRENT ASSETS	<u>1,653,731</u>
NONCURRENT ASSETS	
Debt Issuance Costs, Net of Accumulated Amortization	366,544
Capital Assets, Not Being Depreciated	718,527
Capital Assets, Net of Accumulated Depreciation	<u>11,027,338</u>
TOTAL NONCURRENT ASSETS	<u>12,112,409</u>
TOTAL ASSETS	<u>13,766,140</u>
LIABILITIES	
CURRENT LIABILITIES	
Accrued Interest Payable	207,549
Loan Payable, Current Portion	<u>195,000</u>
TOTAL CURRENT LIABILITIES	402,549
NONCURRENT LIABILITIES	
Loan Payable	<u>13,515,000</u>
TOTAL LIABILITIES	<u>13,917,549</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	(1,597,591)
Restricted for Debt Service	1,383,833
Restricted for Repairs and Replacement	<u>62,349</u>
TOTAL NET ASSETS	<u>\$ (151,409)</u>

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

MONUMENT ACADEMY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND
 Year Ended June 30, 2010

	<u>BUILDING CORPORATION</u>
OPERATING REVENUE	
Charges for Services	
Lease Revenue	\$ <u>1,012,456</u>
OPERATING EXPENSES	
Depreciation	288,573
Amortization	13,253
Interest and Fiscal Charges	<u>833,132</u>
TOTAL OPERATING EXPENSES	<u>1,134,958</u>
NET OPERATING LOSS	(122,502)
NONOPERATING REVENUES	
Investment Income	<u>120,993</u>
CHANGE IN NET ASSETS	(1,509)
NET ASSETS, Beginning	<u>(149,900)</u>
NET ASSETS, Ending	\$ <u><u>(151,409)</u></u>

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

MONUMENT ACADEMY

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

Year Ended June 30, 2010

Increase (Decrease) in Cash and Cash Equivalents

	<u>BUILDING CORPORATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Lease Payments Received	\$ 1,012,456
Loan Interest and Fiscal Charges Paid	(836,069)
Loan Principal Payments	<u>(170,000)</u>
Net Cash Provided by Operating Activities	<u>6,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	<u>(69,023)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income Received	<u>61,425</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,211)
CASH AND CASH EQUIVALENTS, Beginning	<u>585,942</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 584,731</u></u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Loss	\$ (122,502)
Adjustments to Reconcile Net Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	288,573
Amortization of Debt Issuance Costs	13,253
Changes in Assets and Liabilities	
Accrued Interest Payable	(2,937)
Loan Payable	<u>(170,000)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,387</u></u>

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

MONUMENT ACADEMY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

June 30, 2010

	<u>STUDENT ACTIVITY</u>
ASSETS	
Cash and Investments	\$ <u>70,370</u>
LIABILITIES	
Due to Student Groups	\$ <u>70,370</u>

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

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Monument Academy (the “Academy”) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Lewis-Palmer School District #38 (the “District”). The Academy began operations in 1996.

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. 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 Academy’s accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity. Financial accountability exists if the Academy appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the Academy.

The Academy includes the Monument Academy Building Corporation (the “Corporation”) within its reporting entity. The Corporation was formed to hold title to property and facilitate the operations of the Academy and support other organizations, projects and initiatives that are organized and operated for similar purposes. The Corporation is blended into the Academy’s financial statements as an enterprise fund. The Corporation does not issue separate financial statements.

The Academy is a component unit of the District. The Academy’s charter is granted by the District and the majority of the Academy’s funding is provided by the District.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all nonfiduciary activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted revenues not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental fund, the proprietary fund, and the fiduciary fund, even though the latter is excluded from the Academy’s government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Academy. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Academy reports the following major governmental fund:

General Fund - This fund is the general operating fund of the Academy. It is used to account for all financial activities except those required to be accounted for in another fund.

The Academy reports one major proprietary fund, as follows:

Building Corporation Fund - This fund is used to account for the financial activities of the Building Corporation, primarily for capital purposes and debt service.

Additionally, the Academy reports the following fund type:

Agency Fund - This fund accounts for various student activities. The Academy holds all resources in a purely custodial capacity.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets

Cash and Investments - Investments are reported at fair value. Cash equivalents are defined as investments with an original maturity of 90 days or less.

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets - Capital assets, which include land, buildings and equipment, are reported in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements and the proprietary fund in the fund financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method, as follows:

Buildings and Improvements	40 years
Equipment	10 years

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability of the General Fund.

Deferred Revenue - Deferred revenues arise when resources are received by the Academy before it has a legal claim to them or when assets are not available as current financial resources in the governmental fund.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Compensated Absences - The Academy's policy allows employees to accumulate up to sixty unused leave days. If an employee leaves the Academy after ten or fifteen years of service, the Academy will compensate the employee for accumulated leave days up to thirty or sixty days, respectively, at the rate of \$50 per day for exempt employees or 25% of the hourly rate for nonexempt employees. A long-term liability has been reported in the government-wide financial statements for these accrued compensated absences.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets (Continued)

Net Assets/Fund Balance - In the government-wide financial statements and the proprietary fund in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Academy purchases commercial insurance for these risks of loss.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At June 30, 2010, the Building Corporation had negative net assets of \$151,409, primarily because capital assets are being depreciated at a faster rate than the associated debt is being retired. Management expects the negative balance to be eliminated as the debt is paid.

NOTE 3: CASH AND INVESTMENTS

Cash and investments at June 30, 2010, consisted of the following.

Deposits	\$ 1,160,523
Investments	<u>1,653,731</u>
Total	<u><u>\$ 2,814,254</u></u>

Cash and investments are reported in the financial statements are as follows.

Cash and Investments	\$ 1,090,153
Restricted Cash and Investments	1,653,731
Agency Fund Cash and Investments	<u>70,370</u>
Total	<u><u>\$ 2,814,254</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2010, the Academy had bank deposits of \$811,536 collateralized with securities held by the financial institutions' agents but not in the Academy's name.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
 June 30, 2010

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

The Academy is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At June 30, 2010, the Corporation had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment Maturities (in Years)</u>		<u>Fair Value</u>
		<u>Less than 1</u>	<u>More than 10</u>	
Local Government Investment Pools	AAAm	\$ 584,731	\$ -	\$ 584,731
Federal Farm Credit Bank	AAA	-	1,069,000	1,069,000
Total		<u>\$ -</u>	<u>\$ 1,069,000</u>	<u>\$ 1,653,731</u>

Interest Rate Risk - State statutes generally limit investment securities to an original maturity of five years, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in U.S Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the Corporation may invest in one issuer. At June 30, 2010, the Corporation's investment in the Federal Farm Credit Bank was 65% of total investments.

At June 30, 2010, the Corporation had \$584,731 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. CSAFE operates similarly to a money market fund with each share equal in value to \$1.00. CSAFE is rated AAAM by Standard and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

At June 30, 2010, the Corporation had cash and investments of \$1,653,731 restricted for future debt service and building repairs and replacement.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
 June 30, 2010

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, is summarized below.

	<u>Balances</u> 6/30/09	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 6/30/10
Governmental Activities				
Capital Assets, Being Depreciated				
Equipment	\$ -	\$ 41,426	\$ -	\$ 41,426
Accumulated Depreciation	<u>-</u>	<u>(4,143)</u>	<u>-</u>	<u>(4,143)</u>
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 37,283</u>	<u>\$ -</u>	<u>\$ 37,283</u>

Depreciation expense of the governmental activities was charged to the supporting services program of the Academy.

	<u>Balances</u> 6/30/09	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 6/30/10
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 718,527	\$ -	\$ -	\$ 718,527
Total Capital Assets, Not Being Depreciated	<u>718,527</u>	<u>-</u>	<u>-</u>	<u>718,527</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	11,487,737	55,198	-	11,542,935
Accumulated Depreciation	<u>(227,024)</u>	<u>(288,573)</u>	<u>-</u>	<u>(515,597)</u>
Total Capital Assets, Being Depreciated	<u>11,260,713</u>	<u>(233,375)</u>	<u>-</u>	<u>11,027,338</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,979,240</u>	<u>\$ (233,375)</u>	<u>\$ -</u>	<u>\$ 11,745,865</u>

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2010:

	<u>Balance</u> 6/30/09	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> 6/30/10	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Capital Lease	\$ -	\$ 26,877	\$ 3,686	\$ 23,191	\$ 4,803
Compensated Absences	19,734	3,613	3,000	20,347	9,034
Total	<u>\$ 19,734</u>	<u>\$ 30,490</u>	<u>\$ 6,686</u>	<u>\$ 43,538</u>	<u>\$ 13,837</u>
Business-Type Activities					
Building Loan	<u>\$ 13,880,000</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 13,710,000</u>	<u>\$ 195,000</u>

Compensated absences are expected to be liquidated with revenues of the General Fund.

Capital Lease

In July 2009, the School entered into a lease agreement to purchase a loader and snow plow. The agreement requires monthly payments of \$558, through July, 2014. Assets of \$26,877 have been capitalized under this lease.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
 June 30, 2010

NOTE 5: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

Minimum lease payments, to maturity, are as follows:

Year Ended June 30,

2011	\$ 6,695
2012	6,695
2013	6,695
2014	6,695
2015	<u>1,116</u>
Future Minimum Lease Payments	27,896
Less: Interest Portion	<u>(4,705)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 23,191</u>

Building Loan

In September, 2007, the Colorado Educational and Cultural Facilities Authority (“CECFA”) issued \$12,270,000 Charter School Revenue Bonds. In September, 2008, CECFA issued \$1,610,000 Charter School Revenue Bonds. Proceeds of the bonds were loaned to the Corporation to construct the education facilities used by the Academy. The Academy is obligated under a lease agreement to make monthly payments to the Corporation for the use of the facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. The bonds accrue interest at rates ranging from 5.5% to 8.75% per annum. Interest payments are due semi-annually on April 1 and October 1. Principal payments are due annually on October 1, through 2039.

Future debt service requirements for the bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 195,000	\$ 824,668	\$ 1,019,668
2012	205,000	813,343	1,018,343
2013	215,000	801,468	1,016,468
2014	230,000	788,824	1,018,824
2015	245,000	775,193	1,020,193
2016 - 2020	1,330,000	3,663,349	4,993,349
2021 - 2025	1,775,000	3,315,168	5,090,168
2026 - 2030	2,365,000	2,610,244	4,975,244
2031 - 2035	3,165,000	1,789,310	4,954,310
2036 - 2040	<u>3,985,000</u>	<u>565,430</u>	<u>4,550,430</u>
Total	<u>\$ 13,710,000</u>	<u>\$ 15,946,997</u>	<u>\$ 29,656,997</u>

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6: DEFINED BENEFIT PENSION PLAN

Plan Description - The Academy contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the Academy are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - The contribution requirements of Plan members and the Academy are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8%. The Academy's contribution rate for calendar years 2008, 2009 and 2010 was 12.05%, 12.95% and 13.85% of covered salary, respectively. A portion of the Academy's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 7). The Academy's contributions to the SDTF for the years ended June 30, 2010, 2009 and 2008 were \$251,915, \$227,024 and \$226,512, respectively, equal to the required contributions for each year.

NOTE 7: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The Academy contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by contacting PERA as described previously.

Funding Policy - The Academy is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by State statute. No member contributions are required. The contribution requirements for the Academy are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Academy's contributions to the HCTF for the years ended June 30, 2010, 2009 and 2008 were \$19,145, \$18,359 and \$19,953, respectively, equal to the required contributions for each year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. At June 30, 2010, significant amounts of grant expenditures have not been audited but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

MONUMENT ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8: **COMMITMENTS AND CONTINGENCIES** (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Academy believes it is in compliance with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2010, the reserve, of \$143,682, was reported as a reservation of fund balance in the General Fund.

Litigation

The Academy has threatened litigation. However, the outcome of this potential litigation cannot be determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

MONUMENT ACADEMY

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2010

	<u>ORIGNIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Per Pupil Revenue	\$ 4,159,250	\$ 4,333,007	\$ 4,374,395	\$ 41,388
Tuition	215,000	230,000	236,215	6,215
Contributions	66,025	66,025	50,215	(15,810)
Grants	-	-	5,000	5,000
Investment Income	4,000	4,000	9,224	5,224
Other	<u>21,698</u>	<u>36,485</u>	<u>38,679</u>	<u>2,194</u>
Total Local Sources	<u>4,465,973</u>	<u>4,669,517</u>	<u>4,713,728</u>	<u>44,211</u>
State Sources				
Capital Construction	-	-	63,565	63,565
Grants	<u>965</u>	<u>965</u>	<u>3,235</u>	<u>2,270</u>
Total State Sources	<u>965</u>	<u>965</u>	<u>66,800</u>	<u>65,835</u>
Federal Sources				
Grants	<u>6,888</u>	<u>8,887</u>	<u>8,887</u>	<u>-</u>
TOTAL REVENUES	<u>4,473,826</u>	<u>4,679,369</u>	<u>4,789,415</u>	<u>110,046</u>
EXPENDITURES				
Instruction	2,643,275	2,735,229	2,499,623	235,606
Supporting Services	<u>1,800,282</u>	<u>1,830,961</u>	<u>1,987,090</u>	<u>(156,129)</u>
TOTAL EXPENDITURES	<u>4,443,557</u>	<u>4,566,190</u>	<u>4,486,713</u>	<u>79,477</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,269	113,179	302,702	189,523
OTHER FINANCING SOURCES				
Lease Proceeds	<u>-</u>	<u>-</u>	<u>26,877</u>	<u>26,877</u>
NET CHANGE IN FUND BALANCE	30,269	113,179	329,579	216,400
FUND BALANCE, Beginning	<u>352,014</u>	<u>448,976</u>	<u>448,976</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 382,283</u>	<u>\$ 562,155</u>	<u>\$ 778,555</u>	<u>\$ 216,400</u>

See the accompanying Independent Auditors' Report.

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are legally adopted for all funds of the Academy, except the fiduciary fund, on a basis consistent with generally accepted accounting principles (GAAP).

The Academy adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- By April 30, management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Directors.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All budgets lapse at fiscal year end.

SUPPLEMENTARY INFORMATION

MONUMENT ACADEMY

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT ACTIVITY FUND
 Year Ended June 30, 2010

	<u>BALANCE</u> 6/30/09	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 6/30/10
ASSETS				
Cash and Investments	\$ <u>81,539</u>	\$ <u>156,092</u>	\$ <u>167,261</u>	\$ <u>70,370</u>
LIABILITIES				
Due to Student Groups	\$ <u>81,539</u>	\$ <u>156,092</u>	\$ <u>167,261</u>	\$ <u>70,370</u>

See the accompanying Independent Auditors' Report.