



STATE OF INDIANA
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September 18, 2013

Charter School Board
The Bloomington Project School, Inc.
349 South Walnut Street
Bloomington, IN 47401

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 to June 30, 2012. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Pages 3 and 4 contain three audit results and comments. Management's response is on pages 6 and 7.

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

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

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT

OF

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

July 1, 2010 to June 30, 2012

Fitzgerald | Isaac LLC
Certified Public Accountants

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

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THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

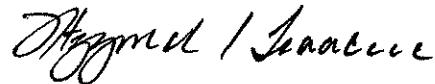
School Officials

Years Ended June 30, 2012 and June 30, 2011

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Tarrance Banks	07/01/10 – 06/30/12
Principal	Catherine Diersing	07/01/10 – 06/30/12
Treasurer	Daniel Baron	07/01/10 – 06/30/12

The Board of Directors
The Bloomington Project School, Inc.

We have audited the financial statements of **The Bloomington Project School, Inc.** (the "School") as of and for the years ended June 30, 2012 and 2011 and have issued our report thereon dated June 19, 2013. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.



Indianapolis, IN
June 19, 2013

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Audit Results and Comments

Years Ended June 30, 2012 and June 30, 2011

CAPITAL ASSET INVENTORY

The School maintains a record of capital assets; however, it has not performed an inventory of such assets as verification of the accounting records.

Every charter school shall have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory must be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines manual for Indiana Charter Schools, Part 10).

VENDOR DISBURSEMENTS

We selected and examined a sample of 45 cash disbursement transactions from throughout 2012 and 2011. Within this sample we noted that proper account coding was not present on 4 of the 45 accounts payable vouchers. Proper account coding includes all the account numbers, fund numbers and object codes.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3).

Officials and employees are required to use State Board of Accounts prescribed or approved Forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Audit Results and Comments, Continued

RECEIPTS AND DEPOSITS

The School issues receipts for various items including textbook fees, uniforms, school lunch and various other items. We noted an unacceptable time lag between the date of receipt and the date of deposit in 10 instances of the 50 receipts that we tested. The average delay was 4-7 days after the date of receipt.

All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions. (Accounting and Uniform Compliance Guidelines manual for Indiana Charter Schools, Part 8).

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2012 and June 30, 2011

The contents of this report were discussed on July 9, 2013, with Catherine Diersing (Principal), Tarrance Banks (Board President), and Terri Burks (Business Manager). The Official Response has been made a part of this report and may be found on page 6.

The Bloomington Project School
Response to SBOA Audit 2012

CAPITAL ASSET INVENTORY

The School maintains a record of capital assets; however, it has not performed an inventory of such assets as verification of the accounting records.

Every charter school shall have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory must be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines manual for Indiana Charter Schools, Part 10)

Plan of Correction: *Prior to this audit, partially because this was not noted as an issue in the previous audit, the BPS administration was unaware that the system that was being used was unacceptable. BPS administration has now secured a copy of the Capital Assets Ledger from the SBOA and will begin using this form immediately. We have asked for additional clarification from Mr. Fitzgerald about what should be included in this document and will follow his guidance.*

VENDOR DISBURSEMENTS

We selected and examined a sample of 45 cash disbursement transactions from throughout 2012 and 2011. Within this sample we noted that proper account coding was not present on 4 of the 45 accounts' accounts payable vouchers. Proper account coding includes all the account numbers, fund numbers and object codes.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3) Officials and employees are required to use State Board of Accounts prescribed or approved Forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Plan of Correction: *Prior to now we have been served by Bookkeeping Plus for all accounting services. While the BPS Business Manager is responsible for indicating which account the voucher should be connected to, Bookkeeping Plus is responsible for completing the entire account coding. In their system we did not receive the final copy back in order to double check this information. We have recently switched to CSMCI and will have immediate access to this information on-line. On a monthly basis we will audit for this information to determine completion and accuracy.*

RECEIPTS AND DEPOSITS

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All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions. (Accounting and Uniform Compliance Guidelines manual for Indiana Charter Schools, Part 8).

Plan of Correction: *As was noted in our exit conference for this audit, this is a particularly difficult component for compliance in many schools/corporations. It is an incredible challenge for small school districts, especially, to meet this requirement with so few people doing so many different jobs, roles, and responsibilities. Beginning with the 2013-14 school year, the new procedure will be for the Administrative Assistant to complete the daily deposit by 11:00 a.m. every school day. The Business Manager will then make a daily deposit every day by 2:00 p.m.*