



STATE OF INDIANA
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B45416

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 14, 2015

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, 2013 to June 30, 2014. 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 finding in the report. Pages 3 through 7 contain four audit result and comment. Management's response is on page 8.

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.

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

SUPPLEMENTAL AUDIT REPORT

OF

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

July 1, 2013 to June 30, 2014

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

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THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Tarrance Banks	07/01/13 – 06/30/14
School Leader	Catherine Diersing	07/01/13 – 06/30/14
School Treasurer	Daniel Baron	07/01/13 – 06/30/14

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 year ended June 30, 2014 and have issued our report thereon dated June 18, 2015. 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.

Fitzgerald/Isaac LLC

Indianapolis, IN
June 18, 2015

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

REQUIRED REPORTS

The financial report to the Indiana Department of Education (Form 9) submitted by the School did not properly reflect the cash activity for the period from July 1, 2013 to June 30, 2014. Receipts and expenditures reported in the various fund accounts did not accurately reflect the activity in those funds. In addition, the total cash balance per the Form 9 did not agree to the cash balance recorded in the accounting records as of June 30, 2014 by the amount of \$17,539.

Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information. The January report must include previous calendar year financial and other required information for the period of July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period of January 1 to June 30. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (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

July 1, 2013 to June 30, 2014

CASH RECEIPTS AND DEPOSITS

The School receives cash payments for various purposes, including meals, contributions, and student fees. Procedures were in place to process cash collections; however, we noted certain issues with regard to the cash receipts process, specifically:

1. The School did not use pre-numbered cash receipts forms.
2. Duplicate receipts were not produced and not provided to individuals making payment unless requested.

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 form is to be prenumbered by the printing supplier in duplicate, five receipts to the page. A receipt must be written on the form each time any money is received by the charter school regardless of whether it is in the form of cash, check, money order, bank card/credit card, EFT (all on which must be indicated as payment type and amount) or other negotiable instrument. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Audit Results and Comments, Continued

July 1, 2013 to June 30, 2014

VENDOR DISBURSEMENTS

In our sample of 25 vendor disbursement transactions, we noted the following issues:

1. The standard accounts payable voucher (Form 523) was not used to document the payments.
2. There was no evidence of approval by the person processing the vendor invoice or the person certifying the invoice for payment.
3. There was no identification of the account number to which the expenditure was to be recorded.

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 Accounts Payable Voucher (Form 523)...must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Audit Results and Comments, Continued

July 1, 2013 to June 30, 2014

EXTRA-CURRICULAR ACTIVITIES

The School maintains a bank account for various extra-curricular activities. Neither the cash balance, which amounted to \$29,451 at June 30, 2014, nor the activity for the year were recorded on the School's accounting records. Likewise, the financial activity was not included on the semi-annual reports (Form 9) to the Indiana Department of Education.

Special Funds may be established to account for money received by a school corporation for a specific purpose or purposes if no local tax revenues are involved. These Funds may be supported by gifts, donations, endowments or be established pursuant to federal statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information. The January report must include previous calendar year financial and other required information for the period July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period January 1 to June 30. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

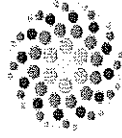
THE BLOOMINGTON PROJECT SCHOOL, INC.

MONROE COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on July 21, 2015 with Catherine Diersing (School Leader), Terri Burks (Business Manager), and Lisa Jones (Accountant). The Official Response has been made a part of this report and may be found on page 8.



the project school

heart | mind | voice

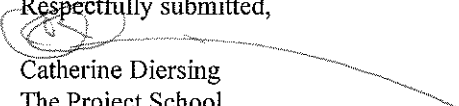
349 S. Walnut Street
Bloomington, IN 47401
812-558-0041

In response to the Bloomington SBOA Audit Draft by Fitzgerald | Isaac, LLC Certified Public Accountants of The Bloomington Project School, Inc.:

In response to the Bloomington SBOA Audit Draft:

1. Required Reports: All required reports will be submitted accurately.
2. Cash Receipts and Deposits: Since moving to CSMCI, The Project School had been using an electronic method of receipting. TPS was advised that these could be numbered according to the current date and the receipt number for the day. Immediately upon being told by Fitzgerald Isaac that this method is not acceptable, changes in procedures were made. TPS now purchases pre-numbered, duplicated cash receipt books from a local supply store, as indicated was acceptable through the audit. The duplicated receipt is granted to the payer. While the audit drafts states the receipt books must be five to each page, the accountant completing the audit confirmed that the newly purchased books, which are not five to a page, meet the requirements.
3. Vendor Disbursements: The Business Manager now puts the account number on the actual invoice and approves by initialing. This is followed by an electronic transmission of approval indicating the invoices to pay.
4. Extra Curricular Activities The School has maintained an extra-curricular activities account year with complete accounting records. This account originated under the school connected family organization. With the findings this year, this account and all related activity are now recorded within the general ledger. All accounting practices and policies apply to this fund.

Respectfully submitted,


Catherine Diersing
The Project School