



STATE OF INDIANA
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February 17, 2021

Charter School Board
Signature School, Inc.
610 Main Street
Evansville, IN 47708

We have reviewed the Supplemental Audit Report for Signature School, Inc. prepared by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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. Page 4 contains three audit results and comments. Management's response is on page 6.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

SIGNATURE SCHOOL, INC.

Vanderburgh County, Indiana

**SUPPLEMENTAL COMPLIANCE
EXAMINATION REPORT**

Year Ended June 30, 2020



SIGNATURE SCHOOL, INC.

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SIGNATURE SCHOOL, INC.

SCHOOL OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|--------------------|--------------------|
| President of the Charter School Board | Robert L. Koch, II | 7/1/19 to 6/30/20 |
| Executive Director | Jean Hitchcock | 7/1/19 to 6/30/20 |
| Treasurer | Susan Parsons | 7/1/19 to 6/30/20 |
| Finance Director | Jessica Bayles | 7/1/19 to 2/14/20 |
| | Vacant | 2/15/20 to 6/30/20 |



TRANSMITTAL LETTER

The Officials of
Signature School, Inc.

We have audited the records of Signature School, Inc. (School) for the period from July 1, 2019 to June 30, 2020, and have issued our report thereon dated December 17, 2020. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Manual for the audits of Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contract, and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

Kemper CPA Group, LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 17, 2020



INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Signature School, Inc.

We have examined Signature School, Inc.'s (School) compliance with the *Accounting and Uniform Compliance Manual for the audits of Indiana Charter Schools* issued by the Indiana State Board of Accounts (Manual) during the year ended June 30, 2020. Management is responsible for the School's compliance with those requirements. Our responsibility to express an opinion on the School's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the requirements prescribed by the Indiana State Board of Accounts in *Guidelines for the Audits of Charter Schools Performed by Private Examiners*, and, accordingly, included examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the School's compliance with specified requirements.

Our examination disclosed certain instances of noncompliance with the Manual, as described in the Audit Results and Comments.

In our opinion, except for the noncompliance described in the third paragraph, the School complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2020.

This report is intended solely for the information and use of management, the Board of Directors, and the Indiana State Board of Accountants, and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group, LLP

Evansville, Indiana
December 17, 2020

Certified Public Accountants and Consultants

SIGNATURE SCHOOL, INC.
Vanderburgh County, Indiana
Audit Results and Comments
Year Ended June 30, 2020

Receipts and Deposits

Our testing revealed that the School does not issue or record receipts at the time of the transaction.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8: Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. All charter school money must be deposited in the designated depository no 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.

Depositing of Receipts

Our testing revealed that in a sample of 60 the School did not deposit 4 receipts timely.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 4: All school corporation money must be deposited in the duly designated depository not later than the business day following the receipt of the funds on business days of the depository designated in the same form in which the funds were received in accordance with IC 5-13-6-1.

Bonding

Our testing revealed that the board did not establish an approved amount for a cash bond.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: The organization should have a board approved amount for a cash bond or insurance policy that protects the organization from the designated employee or employees who commit fraud, theft, errors, and/or omission.

SIGNATURE SCHOOL, INC.
Vanderburgh County, Indiana
Exit Conference
Year Ended June 30, 2020

The contents of this report were discussed on December 7, 2020, with the following persons:

Susan Parsons, Treasurer
John Bertram, Finance Director

The Official Response has been made a part of this report and may be found on page 6.



John Bertram, Finance Director
610 Main Street
Evansville, IN 47708
Voice: 812-421-1820
Fax: 812-421-9189
E-mail: jbertram@signature.edu

December 9, 2020

Michelle Smith
Kemper CPA Group Evansville, IN

Dear Michelle:

Please see our official response below to the Audit Results letter you provided for our June 30, 2020 audit.

Receipts and Deposits

Our Executive Assistant receives our mail and in-person payments. If the Executive Assistant is out sick or off work, we have no one to take payments or make deposits. During FY20, the school was forced to close its doors for part of the school year because of COVID-19. During this time employees worked from home. It is possible some deposits or records of receipts were missed due to delay of receiving or checking e-mail, since it was performed off-site during the time employees were forced to work remotely. Generally, deposits are made within one school business day following receipt of the funds, and receipts are also issued generally within one school business day. We are currently working to ensure this is not an issue during the 2020-2021 school year.

Depositing of Receipts

The previous finance director left the school in February 2020. The school hired a company to handle the duties previously performed by the finance director for the rest of the school year. That company performed these duties via a combination of remote and on-site work. That company performed the duties required by the school but did not always work every school day in the month. For this reason, it is possible cash receipts were not deposited within the required time frame. The school has hired a finance director in FY21, and the finance director will work to ensure deposits are made within the required time frame.

Bonding

The Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10 was updated in FY20 to require a board approved amount for cash bonds on employees. The school was following the previous guidelines and was not aware that this policy was updated in FY20. The school will have the board adopt a bond policy in FY21.

Sincerely,

A handwritten signature in black ink that reads "John Bertram".

John Bertram
Finance Director