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April 15, 2021


Charter School Board
The Bloomington Project School
349 S. Walnut St
Bloomington, IN 47401

We have reviewed the audit report of The Bloomington Project School, which was opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of The Bloomington Project School as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, CliftonLarsonAllen LLP prepared the audit report in accordance with guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for The Bloomington Project School was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

**THE BLOOMINGTON PROJECT SCHOOL
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**



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**THE BLOOMINGTON PROJECT SCHOOL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Bloomington Project School
Anderson, Indiana

We have audited the accompanying financial statements of The Bloomington Project School, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
The Bloomington Project School

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bloomington Project School as of June 30, 2020, and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Prior Year Financial Statements

The 2019 financial statements of The Bloomington Project School were audited by other auditors whose report dated November 5, 2019 expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Indianapolis, Indiana
March 31, 2021

**THE BLOOMINGTON PROJECT SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 723,149	\$ 279,223
Grants Receivable	39,963	42,893
Prepaid Expenses	12,023	3,577
Total Current Assets	775,135	325,693
PROPERTY AND EQUIPMENT		
Buildings and Improvements	2,342,761	2,222,431
Furniture and Equipment	480,380	480,380
Textbooks	77,316	77,316
Less: Accumulated Depreciation	(1,344,250)	(1,269,812)
Property and Equipment, Net	1,556,207	1,510,315
OTHER ASSETS		
Security Deposits	12,500	10,000
Total Assets	\$ 2,343,842	\$ 1,846,008
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,892	\$ 18,551
Accrued Expenses	296,583	169,754
Current Portion of Notes Payable	129,744	107,100
Current Portion of Capital Lease Obligations	3,243	-
Deferred Rent	21,018	-
Refundable Advances	44,166	60,760
Total Current Liabilities	503,646	356,165
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion	1,293,133	1,417,517
Loan Payable Under Paycheck Protection Program	335,100	-
Capital Lease Obligations, Net of Current Portion	15,455	-
Total Long-Term Liabilities	1,643,688	1,417,517
Total Liabilities	2,147,334	1,773,682
NET ASSETS, WITHOUT DONOR RESTRICTIONS		
Total Liabilities and Net Assets	\$ 2,343,842	\$ 1,846,008

See accompanying Notes to Financial Statements.

**THE BLOOMINGTON PROJECT SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUE AND SUPPORT		
State Education Support	\$ 1,914,639	\$ 1,861,292
Grant Revenue	568,820	358,233
Student Fees	30,791	83,521
Contributions	46,848	115,158
Other Income	48,711	27,502
Total Revenue and Support	<u>2,609,809</u>	<u>2,445,706</u>
EXPENSES		
Program Services	1,680,811	1,796,774
Management and General	804,816	674,275
Total Expenses	<u>2,485,627</u>	<u>2,471,049</u>
CHANGE IN NET ASSETS	124,182	(25,343)
Net Assets Without Donor Restrictions - Beginning of Year	<u>72,326</u>	<u>97,669</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ 196,508</u>	<u>\$ 72,326</u>

See accompanying Notes to Financial Statements.

**THE BLOOMINGTON PROJECT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and Wages	\$ 1,220,012	\$ 187,496	\$ 1,407,508	\$ 1,270,620	\$ 127,231	\$ 1,397,851
Employee Benefits	286,124	48,751	334,875	327,084	31,973	359,057
Staff Development	693	-	693	7,366	235	7,601
Professional Services	44,807	124,341	169,148	45,725	98,482	144,207
Repairs and Maintenance	-	680	680	-	9,694	9,694
Authorizer Oversight Fees	48,737	-	48,737	44,741	-	44,741
Food Costs	126	38,010	38,136	42	49,450	49,492
Transportation	70	-	70	3,684	-	3,684
Equipment	-	22,975	22,975	524	8,983	9,507
Classroom, Kitchen, and Office Supplies	26,818	15,038	41,856	34,936	15,102	50,038
Occupancy	-	165,065	165,065	6,233	129,410	135,643
Depreciation	-	74,439	74,439	-	74,439	74,439
Interest	-	93,465	93,465	-	94,303	94,303
Insurance	-	16,773	16,773	-	18,566	18,566
Other	53,424	17,783	71,207	55,819	16,407	72,226
Total Functional Expenses	<u>\$ 1,680,811</u>	<u>\$ 804,816</u>	<u>\$ 2,485,627</u>	<u>\$ 1,796,774</u>	<u>\$ 674,275</u>	<u>\$ 2,471,049</u>

See accompanying Notes to Financial Statements.

**THE BLOOMINGTON PROJECT SCHOOL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 124,182	\$ (25,343)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	74,439	74,439
Changes in Operating Assets and Liabilities:		
Grants Receivable	2,930	(23,488)
Prepaid Expenses	(10,946)	(3,577)
Accounts Payable	(9,659)	(14,876)
Accrued Expenses	126,829	24,557
Refundable Advances	(16,594)	(22,817)
Deferred Rent Payable	21,018	(10,125)
Net Cash Provided (Used) by Operating Activities	<u>312,199</u>	<u>(1,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(120,331)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Repayments of Notes Payable	(101,740)	(75,455)
Proceeds from Capital Lease Activities	18,698	-
Proceeds from Loan Payable Under Paycheck Protection Program	335,100	-
Net Cash Provided (Used) by Financing Activities	<u>252,058</u>	<u>(75,455)</u>
NET CHANGE IN CASH	443,926	(76,685)
Cash - Beginning of Year	<u>279,223</u>	<u>355,908</u>
CASH - END OF YEAR	<u>\$ 723,149</u>	<u>\$ 279,223</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 93,465</u>	<u>\$ 94,303</u>

See accompanying Notes to Financial Statements.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Bloomington Project School (the School) is a public benefit nonprofit organization incorporated under the laws of the state of Indiana. The School operates as a public charter school established under Indiana Code 20-24 serving approximately 280 students in grades kindergarten through eighth and is sponsored by Ball State University.

Change in Accounting Principle

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable the financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. No cumulative-effect adjustments in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the School's reported historical revenue.

In June 2018, FASB issued ASU 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and made. The amendments to this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject other guidance and (2) determining whether a contribution is conditional. The financial statements reflect the application of ASU 2018-08 beginning January 1, 2019. The new guidance does not require prior period results to be restated. The implementation of this standard did not significantly impact the School's financial statements

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the state of Indiana is based on enrollment, and paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which the educational services are rendered.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

A portion of the School's revenue is the product of cost reimbursement grants. Therefore, the School recognizes revenue under these grants in the amounts of costs and expenses at the time they are incurred. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2020, the School had \$32,011 of conditional grants that have not been recognized as revenue in the statement of activities because conditions have not been met.

Revenue from student fees and other income is recognized when the control of the promised good or service is transferred to the student, in an amount that reflects the consideration expected to be entitled in exchange for those goods or services. Amounts received prior to the service is performed is reported as deferred revenue in the statement of financial position. As of June 30, 2020, the School did not have any such deferred revenue.

Contributions

The School receives income from contributions and grants that support certain school activities. Such revenue received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The School reports gifts of cash and other assets and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purposes restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restriction. The School did not have any net assets with donor restrictions as of June 30, 2020 and 2019.

Cash and Cash Equivalents

Cash consists of cash held in bank accounts and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less. There were no cash equivalents at June 30, 2020 and 2019.

Grants Receivable

Grants receivable relate primarily to activities funded under federal programs and legislation enacted by the state of Indiana. The School believes it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Property and Equipment

Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Buildings and Improvements	30 Years
Furniture and Equipment	3 to 5 Years
Textbooks	4 Years

Taxes on Income

The Bloomington Project School, Inc. has received a determination from the U.S. Department of Treasury stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2020 and 2019, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2015 are open to audit for both federal and state purposes.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The School evaluated subsequent events through March 31, 2021, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

NOTE 2 REFUNDABLE ADVANCES

The School was awarded grants from the Lilly Foundation, Inc. of \$83,576 during the year ended June 30, 2019. The grants are for the purpose of establishing comprehensive counseling services for students and must be utilized for their intended purpose no later than June 30, 2021, after which any remaining unused portion of each grant is subject to reversion to the grantor organization. The unused portion of each grant is shown as a refundable advance on the statements of financial position.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 3 NOTES PAYABLE

Notes payable consisted of the following as of June 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Note Payable to Indiana Finance Authority	\$ 338,265	\$ 389,065
Note Payable to IFF	1,040,566	1,083,797
Note Payable to Bloomington Urban Enterprise Association	1,666	2,855
Common School Fund Loan	<u>42,380</u>	<u>48,900</u>
Total	1,422,877	1,524,617
Less: Current Portion	<u>(129,744)</u>	<u>(107,100)</u>
Long-Term Portion	<u>\$ 1,293,133</u>	<u>\$ 1,417,517</u>

Indiana Finance Authority Note Payable

The note payable to Indiana Finance Authority is payable in quarterly installments of \$17,798, including interest at 5.5% per annum. The loan was funded through the sale of Qualified School Construction Bonds, which provide for the interest to be subsidized by the U.S. federal government. The loan is subordinate to the IFF note payable.

IFF Note Payable

The note payable to IFF is payable in monthly installments of \$10,028, including interest at 6.875% per annum, with the unpaid balance due on August 1, 2033. The note is secured by a leasehold mortgage, and furniture and equipment. The promissory note with IFF contains several financial and nonfinancial covenants with which the School is required comply annually. The School was in compliance with all covenants as of June 30, 2020 and 2019.

Bloomington Urban Enterprise Association Note Payable

The note payable to Bloomington Urban Enterprise Association is payable in monthly installments of \$208, with the unpaid balance due on August 1, 2019. The note is unsecured and noninterest bearing. Bloomington Urban Enterprise Association is a related party to the School through common management.

Common School Fund Loan

The note payable to the Indiana Common School Fund is payable in semi-annual principal installments of \$3,260 from January 2017 to July 2026, with interest at 1% per annum.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 3 NOTES PAYABLE (CONTINUED)

Principal maturities of notes payable are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 129,744
2022	131,650
2023	135,478
2024	139,577
2025	126,272
Thereafter	760,156
Total	<u>\$ 1,422,877</u>

NOTE 4 LEASES

The School entered into a capital lease financing agreement during the year ended June 30, 2020 for a piece of equipment. At June 30, 2020 and 2019, the cost and accumulated depreciation related to this asset was \$18,698 and \$-0-, respectively.

Minimum future lease payments as of June 20, 2020 under the capital lease and the present value of the net minimum lease payments are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 3,243
2022	3,474
2023	3,722
2024	3,987
2025	4,272
Total	<u>18,698</u>
Less: Amount Representing Interest	<u>(3,597)</u>
Total	<u>\$ 15,101</u>

The School leases its school facility under an operating lease, which was renewed effective June 30, 2019. The lease requires monthly rental payments in the first year of \$7,467, which increase annually over the term of the lease by the lesser of 2% or the consumer price index for the preceding 12 months. The lease expires June 30, 2024 and is renewable for three additional five-year periods. The lease requires the School to pay for certain repairs and maintenance, utilities, and other ongoing expenses required to maintain the facilities. The School also rents certain items of office equipment under operating leases.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 LEASES (CONTINUED)

Expense under operating leases was \$148,731 and \$98,737 for the years ended June 30, 2020 and 2019, respectively. Future minimum lease obligations for noncancelable operating leases with initial lease terms in excess of one year are as follows for the years ending June 30:

Year Ending June 30,	Amount
2021	\$ 142,681
2022	144,255
2023	148,782
2024	156,352
2025	64,272
Thereafter	354,000
Total	\$ 1,010,342

NOTE 5 PAYROLL PROTECTION PROGRAM LOAN

On May 1, 2020, the Organization received a loan from CRF Small Business Loan Company, LLC in the amount of \$335,100 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 18 months, deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement.

The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 RETIREMENT PLANS

The School provides retirement benefits covering substantially all full-time employees. Retirement benefits are provided by the Indiana State Teachers' Retirement Fund (TRF) and the Indiana Public Employees' Retirement Fund (PERF), both of which are cost-sharing multiple-employer defined benefit retirement plans governed by the state of Indiana and administered by the Indiana Public Retirement System (INPRS) Board. Contribution requirements of plan members are determined annually by the INPRS Board. For the years ended June 30, 2020 and 2019, the School contributed 5.5% and 7.5%, respectively of compensation for eligible teaching personnel to TRF and 11.2% for other employees to PERF. Should the School elect to withdraw from TRF or PERF, it could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF and PERF. As of June 30, 2019 (the latest year reported), TRF and PERF were approximately 102% and 80% funded, respectively.

In lieu of TRF, teaching faculty can elect benefits under a 403(b) plan, where the School contributes 7.5% of compensation.

Retirement plan expense was \$109,464 and \$105,180 for the years ended June 30, 2020 and 2019, respectively.

NOTE 7 COMMITMENTS

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. Payments under this charter agreement were \$48,737 and \$44,741 for the years ended June 30, 2020 and 2019, respectively. The charter remains in effect until June 30, 2026 and is renewable thereafter by mutual consent.

The School has contracted with Charter School Management Corporation (CSMC) to provide finance, business consulting, compliance, payroll, human resources, and other services. This contract remains in effect until June 30, 2024 and is automatically renewed on a year-to-year basis commencing on the last day of the expiring contract, unless written notice of intent to terminate or renegotiate is given by either party at least 60 days prior to expiration of the agreement.

Under the terms of the agreement, the School has agreed to pay CSMC the following amounts for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 60,000
2022	60,000
2023	60,000
2024	60,000

Expenses under the agreement were \$55,770 and \$52,920 for the years ended June 30, 2020 and 2019, respectively.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 RISKS AND UNCERTAINTIES

The School provides education instruction services to families residing in Monroe and surrounding counties in Indiana and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the state of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the state of Indiana. At June 30, 2020, substantially all of the receivable balance was due from the state of Indiana. In addition, deposits maintained at Old National Bank are insured up to the FDIC insurance limit of \$250,000. Funds held at this financial institution exceed the FDIC insurance limit. To date, the School has not experienced losses in any of these accounts.

During the year ended June 30, 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the School, COVID-19 has impacted various parts of its 2020 and 2021 operations and financial results, including an increased demand for virtual learning options. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are ongoing and are still developing.

NOTE 9 LIQUIDITY

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2020 and 2019 to meet its cash needs for general expenditures within one year of the date of the statements of financial position. The School's financial assets include cash and grants receivable. Financial assets at June 30, 2020 total \$763,112 and \$322,116, respectively, all of which are available to meet cash needs for general expenditures within a year.

From time to time, the School receives donor restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**THE BLOOMINGTON PROJECT SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities and change in net assets. Management of the School has categorized expenses as program services or management and general according to the underlying nature of the expense. As such, no allocation of specific transactions between these categories was required.

**THE BLOOMINGTON PROJECT SCHOOL
OTHER REPORT
YEAR ENDED JUNE 30, 2020**

The reports presented herein were prepared in addition to another official report prepared for The Bloomington Project School as listed below:

Supplemental Audit Report of The Bloomington Project School

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

