



STATE OF INDIANA
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B58359

STATE BOARD OF ACCOUNTS
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January 20, 2022

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, 2020 to June 30, 2021. 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 four 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, 2021



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	7/1/20 to 6/30/21
Executive Director	Jean Hitchcock	7/1/20 to 6/30/21
Treasurer	Susan Parsons	7/1/20 to 6/30/21
Finance Director	Vacant	7/1/20 to 9/13/20
	John Bertram	9/14/20 to 6/30/21



TRANSMITTAL LETTER

The Officials of
Signature School, Inc.

We have audited the records of Signature School, Inc. (School) for the period from July 1, 2020 to June 30, 2021, and have issued our report thereon dated January 4, 2022. 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
January 4, 2022



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, 2021. 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, 2021.

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
January 4, 2022

Certified Public Accountants and Consultants

SIGNATURE SCHOOL, INC.
Vanderburgh County, Indiana
Audit Results and Comments
Year Ended June 30, 2021

Textbook Rental Receipts

Our testing of textbook rental receipts revealed that the School does not use prescribed form TBR-2.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 2: Textbook rental receipts should be issued on the Textbook Rental Form TBR-2.

Overtime Policy

Our testing of employment policies revealed that Signature School does not have any written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Each charter school must adopt a written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. The policy must conform to the requirements of all state and federal regulatory agencies.

Payroll - Stipend

Our testing of payroll revealed that in a sample of 27 employees, one employee was paid double the stipend they were supposed to receive per their contracts.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Each charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered.

Sales Tax

Our testing of five credit card statements revealed five invoices that Signature School paid sales tax on. The total amount of sales tax paid on these invoices was \$101.69.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Sales tax should not be paid inappropriately. Note that sales tax can be reimbursed for nonexempt purchases, including lodging.

SIGNATURE SCHOOL, INC.
Vanderburgh County, Indiana
Exit Conference
Year Ended June 30, 2021

The contents of this report were discussed on November 22, 2021, 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: 812-253-4358
Fax: 812-421-9189
E-mail: john.bertram@signature.edu

December 1, 2021

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, 2021, audit.

Textbook Rental Receipts

The school issues receipts to parents/guardians for all payments made to the school but failed to use prescribed form TBR-2 at the time textbooks were issued to students. The school will start issuing a form that fulfills the requirements of the TBR-2 form at the time textbooks are issued to students in the 2022-2023 school year.

Overtime Policy

The Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10 was updated in June 2020 to require a written overtime policy. The school was not aware this requirement was recently created. The school will have the board adopt an overtime policy in FY22.

Payroll - Stipend

The finance director incorrectly paid a duplicate stipend to an employee in the 2020-2021 school year. The finance director has since implemented a new process control that is performed while the payroll file is created to ensure that employees are only paid for services rendered.

Sales Tax

Sales tax was paid on telephone and internet service contracts in the school year. Since the audit, the school has submitted state form 56648, form "ST-109NP&G" to the vendor(s) to get the sales tax removed from the service invoices.

Sincerely,

A handwritten signature in cursive script that reads "John Bertram".

John Bertram
Finance Director