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August 19, 2014

Charter School Board  
KIPP Indianapolis College Preparatory, Inc.  
1740 E. 30<sup>th</sup> Street  
Indianapolis, IN 46218

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, Independent Public Accountants, for the period July 1, 2012 to June 30, 2013. 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 5 contains two audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for KIPP Indianapolis College Preparatory, 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

**KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.**

MARION COUNTY, INDIANA

JULY 1, 2012 TO JUNE 30, 2013



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# KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.

## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Emily R. Pelino	08-01-09 to 06-30-13
Superintendent of Schools/School Leader	Emily R. Pelino	06-01-10 to 06-30-13
Chairman of the Board of Directors	David O. Mann	02-02-10 to 06-30-13
Director of Finance and Administration	Brenda Albright	07-01-10 to 06-30-13



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## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
of KIPP Indianapolis College Preparatory, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of KIPP Indianapolis College Preparatory, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated June 20, 2014.

In our audit, we noted that KIPP Indianapolis College Preparatory, Inc. failed to comply with the penalties and interest paid for late payments and prenumbered tickets and ticket sales provisions of the *Accountant and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, as outlined in the *Guidelines for the Audits of Charter Schools Performed by Private Examiners*, issued by the Indiana State Board of Accounts. Our audit was not directed primarily toward obtaining knowledge as to whether KIPP Indianapolis College Preparatory, Inc. failed to comply with the terms of the *Accountant and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced *Accountant and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters

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

A handwritten signature in black ink that reads 'Sikich, LLP'.

Sikich LLP

June 20, 2014

# KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.

## AUDIT RESULTS AND COMMENTS

### ***PENALTIES AND INTEREST PAID FOR LATE PAYMENTS***

On the August 2012 and March 2013 credit card statements, interest of \$27.86 and \$25.79, respectively, was assessed.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Policies and procedures should be implemented to ensure credit card statements are paid on time and in full.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the school.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 10)

### ***PRENUMBERED TICKETS AND TICKET SALES REPORTS (Form SA-4)***

During our review of extra-curricular events, as stated in our prior year report, we were unable to determine that receipts of monies agreed to ticket sales reports since pre-numbered tickets were not issued and ticket sales reports were not used for receipt of monies during the extra-curricular events.

Ticket sales conducted by any activity shall be accounted for as follows:

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charters Schools, Chapter 2)

# **KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.**

## **EXIT CONFERENCE**

The contents of this report were discussed on January 14, 2014, with Emily R. Pelino, Superintendent of Schools/School Leader, Brian Garrison, Board Chair, and Roderick Wheeler, Finance Committee Chair. The officials concurred with our audit findings.