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April 1, 2015

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

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, 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 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, 2013 TO JUNE 30, 2014



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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 06-30-14
Superintendent of Schools/School Leader	Emily R. Pelino	06-01-10 to 06-30-14
Chairman of the Board of Directors	Brian Garrison	06-01-11 to 06-30-14



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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 financial statements of KIPP Indianapolis College Preparatory, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated February 27, 2015.

In our audit, we noted that KIPP Indianapolis College Preparatory, Inc. failed to comply with the cash receipts and daily deposits and payroll contracts provisions of the *Accounting 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 *Accounting 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 *Accounting 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

February 27, 2015

KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.

AUDIT RESULTS AND COMMENTS

CASH RECEIPTS AND DEPOSITS NOT MADE DAILY

There were seven separate instances that the organization did not deposit cash receipts daily. The occurrences cover the entire school year

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 not 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.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 8)

PAYROLL CONTRACTS NOT FILED

There were two instances in which the school did not obtain maintain employee contracts.

All compensation and benefits paid to employees as defined under IC §20-24-6-1 must be included in the labor contract or salary schedule unless otherwise authorized by statute. Compensation to teachers as defined under IC §20-24-6-2 must be included in any at-will employment agreement or letter entered into between the school and the teacher. Compensation shall be made in a manner that will facilitate compliance with state and federal reporting requirements.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Manual Part 14)

KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.

EXIT CONFERENCE

The contents of this report were discussed on February 25, 2015, with Emily R. Pelino, Superintendent of Schools/School Leader. The official concurred with our audit findings.