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STATE OF INDIANA

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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 14, 2013

Charter School Board
KIPP Indianapolis College Preparatory
3202 E. 42nd Street
Indianapolis, IN 46205

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, Independent Public Accountants, for the period July 1, 2011 to June 30, 2012. 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. Management's response is on page 7.

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

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT

OF

KIPP INDIANAPOLIS COLLEGE PREPARATORY

MARION COUNTY, INDIANA

JULY 1, 2011 TO JUNE 30, 2012

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Emily R. Pelino	08-01-09 to 06-30-12
Superintendent of Schools/School Leader	Emily R. Pelino	06-01-10 to 06-30-12
Chairman of the Board of Directors	David O. Mann	02-02-10 to 06-30-12
Director of Finance and Administration	Brenda Albright	07-01-10 to 06-30-12

Sikich®

8555 N. River Rd., Suite 300
Indianapolis, Indiana 46240

317.842.4466 // www.sikich.com

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

TO: THE OFFICIALS OF KIPP INDIANAPOLIS COLLEGE PREPARATORY

We have audited the records of the KIPP Indianapolis College Preparatory for the period from July 1, 2011 to June 30, 2012 and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of KIPP Indianapolis College Preparatory for the year ended June 30, 2012.

Sikich, LLP

Sikich LLP

January 18, 2013

CAPITAL ASSET INVENTORY

The School had two capital assets listed on the Capital Asset Ledger that were disposed of during the 2011-2012 school year. The school also had one capital asset that was never received which was also recorded on the Capital Asset Ledger.

"A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records."

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 15)

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

During our review of extra-curricular events, we were unable to determine that receipts of monies agreed to ticket sales reports since prenumbered 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 prenumbered, 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
MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 25, 2013, with Brenda Albright, Director of Finance and Administration, Emily R. Pelino, Superintendent of Schools/School Leader, and Roderick Wheeler, Finance Committee Chair. The officials concurred with our audit findings.

KIPP INDY

Response to Audit Results and Comments

Pre-numbered tickets and Ticket Sales Report

This was noted in the February 2012 SBOA audit and the school immediately obtained pre-numbered tickets; however, due to the timing, there were no events requiring the use of pre-numbered tickets for the remainder of the 2011-2012 school year.

Upon resumption of events during the 2012-2013 school year, per-numbered ticket sales were implemented according to guidelines.

During this audit, the use of the ticket sales report (SA-4) was discussed and the school implemented the use of this form at the next event.