



STATE OF INDIANA
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December 21, 2016

Charter School Board
Kipp Indianapolis Inc.
1740 E 30th St
Indianapolis, IN 46218

We have reviewed the Supplemental Audit Report prepared by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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 finding in the report. Page 3 contains three audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for the Kipp Indianapolis 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, INC.

MARION COUNTY, INDIANA
JULY 1, 2015 TO JUNE 30, 2016

GREENWALT CPAs

We Deliver Peace of Mind

KIPP INDIANAPOLIS, INC.
SUPPLEMENTAL AUDIT REPORT
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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director/ Superintendent of Schools	Emily R. Pelino	N/A
Chief of Staff	Andrew Seibert	N/A
Chairman of the Board Of Directors	Brian Garrison	07/01/2015 to date
Board Finance Chair	Donald Palmer	07/01/2015 to 06/30/2016

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Indianapolis, IN 46224
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To the Board of Directors of
KIPP Indianapolis, Inc.:

We have audited the financial statements of KIPP Indianapolis, Inc. (the School) as of and for the year ended June 30, 2016 and have issued our report thereon dated November 30, 2016.

In connection with that audit and with our consideration of the School's internal controls as required by the *Guidelines for the Audits of Charter Schools Performed by Private Examiners* (Guide), Issued by the Indiana State Board of Accounts, we performed procedures prescribed under the Guide for the year ended June 30, 2016.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to the School. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on the School's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance with those requirements, which is described in the accompanying Schedule of Audit Results and Comments.

The purpose of this report is solely to describe the scope of our testing over compliance with the requirements prescribed under the Guide and the results of that testing, and not to provide a legal determination of compliance with those requirements. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

November 30, 2016

KIPP INDIANAPOLIS, INC.

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS

Monies from ticket sales were not deposited daily

All three of the basketball games' ticket sales receipts tested, which was a total dollar value of \$238, were not deposited on the next business day following the event.

Tickets, goods for sale, billings and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the charter school (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10). 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, Part 8).

ADM and student information reporting not filed timely

The Fall submissions for KIPP Unite Elementary were signed by the Executive Director on October 19, 2015. Per the Indiana Department of Education (IDOE) ADM Submissions Guidelines, the final report must be signed by the Director and mailed to the IDOE by October 14, 2015.

Not later than the date established by the Indiana Department of Education (IDOE) for determining ADM, and after May 31 each year, the organizer shall submit to the IDOE the following information on a form prescribed by IDOE: (1) The number of students enrolled in the charter school. (2) The name and address of each student. (3) The name of the school corporation in which the student has legal settlement. (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year. (5) The grade level in which the student will enroll in the charter school, IC 20-24-7-2 (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9).

Compensation for certain teachers did not agree with offer letter in employee personnel file

One of fifteen employees tested was compensated more than as stated in their employment offer letter retained in their employee personnel file. Upon inquiry, School officials noted that an error was discovered in the prior school year whereby certain employees were paid 4% more than their original offer letter. As the error was discovered late in the prior school year, no adjustments were made to compensation. The employee in question was terminated in fiscal year 16, and as such, the employee's offer letter was not corrected.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. Compensation must 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, Part 14, Compensation).

KIPP INDIANAPOLIS COLLEGE PREPARATORY, INC.

MARION COUNTY, INDIANA

EXIT CONFERENCE

The contents of this report were discussed on November 30, 2016 with Emily R. Pelino, Executive Director, Andrew Seibert, Chief of Staff, Don Palmer, Board Finance Chair at 06/30/2016, John Martin, Board Finance Chair beginning 07/01/2016, and Brian Garrison, Chairman of the Board. The officials concurred with our findings.