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December 2, 2019

Charter School Board  
Circle City Preparatory, Inc.  
4002 N Franklin Rd.  
Indianapolis, IN 46226

We have reviewed the Supplemental Audit Report for Circle City Preparatory, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. 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 3 contains three audit results and comments. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

SUPPLEMENTAL AUDIT REPORT  
OF  
**CIRCLE CITY PREPARATORY, INC.**

MARION COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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**CIRCLE CITY PREPARATORY, INC.**

**MARION COUNTY, INDIANA**

**School Officials**

**July 1, 2018 to June 30, 2019**

<b><u>Office</u></b>	<b><u>Official</u></b>	<b><u>Term</u></b>
President of Board of Directors	Jennifer Bartenbach	07/01/18 – 06/30/19
School Leader	Megan Murphy	07/01/18 – 06/30/19
Treasurer of Board of Directors	Sharnell Johnson	07/01/18 – 06/30/19



# Donovan CPAs

The Board of Directors  
Circle City Preparatory, Inc.

We have audited the financial statements of Circle City Preparatory, Inc. (the “School”) as of and for the year ended June 30, 2019 and have issued our report thereon dated November 22, 2019. As part of our audit, we tested the School’s compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana  
November 22, 2019

# **CIRCLE CITY PREPARATORY, INC.**

## **MARION COUNTY, INDIANA**

### **Audit Results and Comments**

**July 1, 2018 to June 30, 2019**

#### **RECEIPTS AND DEPOSITS**

We selected a sample of forty receipts for testing. Of the receipts tested, nineteen were not timely deposited.

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)

#### **CREDIT CARD POLICY AND COMPLIANCE**

The School paid one late fee of \$35 to a credit card vendor.

Payment shall not be made on the basis of a statement or credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee shall be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

#### **REQUIRED REPORTS**

We reviewed both biannual Form 9 reports filed by the School for the fiscal year. Although the ending cash balance per the Form 9 agreed to the ending cash balance per the School's trial balance, individual funds did not reflect actual activity in those funds during the year.

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**CIRCLE CITY PREPARATORY, INC.**

**MARION COUNTY, INDIANA**

**Exit Conference**

**July 1, 2018 to June 30, 2019**

The contents of this report were discussed on November 22, 2019, with Megan Murphy (Head of School), Courtney Eckerle (Director of Operations), Mandy Parris (Board Chair), Alexis Sowder (Board Treasurer), and Brian Anderson (Outsourced Consultant). The official response has been made a part of this report and may be found on page 5.



November 22, 2019

Donovan CPAs  
9292 N. Meridian Street, Suite 150  
Indianapolis, IN 46260

Circle City Prep has or will take the following actions to address the FY2019 supplemental audit report comments:

1. As we continue growing in our third year of operations, we have improved our cash receipts process and we have added staff. With the added capacity, we have the ability for staff to get to the bank during business hours more often. This allows us to deposit funds received in a more timely manner.
2. We implemented a new credit card tracking and reconciliation process and will continue to improve in this area. We have moved from mail credit card statements (we stopped receiving mail for some time over the summer with our landlord moving out) to e-statements to ensure we receive timely notification.
3. We will continue to submit Form 9 information on time and reconcile to our cash position. We will seek ways to better align individual fund cash reporting with the accrual adjustments and retroactive reimbursements that can make that challenging.

Sincerely,

A handwritten signature in black ink that reads "Megan Murphy".

Megan Murphy  
Founder & Head of School