



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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May 10, 2023

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, 2021 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3. Management's response is on page 5.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
CIRCLE CITY PREPARATORY, INC.

MARION COUNTY, INDIANA

July 1, 2021 to June 30, 2022



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CIRCLE CITY PREPARATORY, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2021 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Chad Miller	07/01/21 – 06/30/22
Head of School	Megan Murphy	07/01/21 – 06/30/22
Treasurer of Board of Directors	Alexis Sowder	07/01/21 – 06/30/22



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, 2022 and have issued our report thereon dated January 10, 2023. 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
January 10, 2023

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CIRCLE CITY PREPARATORY, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

RECEIPTS AND DEPOSITS

We selected a sample of forty receipts for testing, none of which were deposited in a timely manner. The individual receipts tested ranged from \$2 to \$91 and were deposited between 6 and 58 days late.

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)

REQUIRED REPORTS

We reviewed both biannual Form 9 reports filed by the School to the Indiana Department of Education during the fiscal year. Individual fund balances on the June 30, 2022 Form 9 did not reflect actual balances in line with the School's accounting records.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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, 2021 to June 30, 2022

The contents of this report were discussed on January 10, 2023, with Courtney Eckerle (Director of Operations), Megan Murphy (Head of School), and Brian Anderson (Outsourced Consultant). The official response has been made a part of this report and may be found on page 5.



January 10, 2023

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

Circle City Prep will address the FY2022 supplemental audit report comments:

1. We will continue to improve to meet the requirement of depositing funds within 24 hours of receipt. The vast majority of funding (99%) that flowed into our school last year was deposited in a timely manner. Our board is currently exploring new bank options with the hope of a closer physical location to the school so that deposits can be made multiple times per week.
2. We will continue to submit Form 9 information on time and reconcile to our cash position. We continue to seek ways to better align individual fund cash reporting with the accrual adjustments and retroactive reimbursements that can make that challenging. We continue to improve and we will continue to seek improvement.

Sincerely,

DocuSigned by:

A handwritten signature in blue ink that reads "Megan Murphy". The signature is written in a cursive style.

Megan Murphy
Head of School