

## Core Question 2: Is the organization in sound fiscal health?

The Financial Performance Framework, outlined in Core Question 2, gauges both near-term financial health and longer-term financial sustainability while accounting for key financial reporting requirements. This accountability report reflects disaggregated calculations of the network’s financial position only according to the annual accrual-based audit submitted to the [Indiana State Board of Accounts](#). School-specific information for short-term financial health can be found under Supplemental Information. All past school accountability reports can be found on OEI’s [website](#).

*Note: The Financial Performance Framework has been revised to include additional indicators, and for this reason, not all historical ratings are based on the listed indicator targets, and some historical ratings are not available. Ratings for networks were first issued in 2018-19.*

Summary of Ratings					
Indicator	2023-24	2024-25	2025-26	2026-27	2027-28
Short-term Health: Does the network demonstrate the ability to pay its obligations in the next 12 months?	ES	ES			
Long-term Health: Does the network demonstrate long-term financial health?	ES	ES			
Fiscal Oversight: Does the network demonstrate it has adequate financial management and systems?	MS	MS			

**Short-term Health: Does the network demonstrate the ability to pay its obligations in the next 12 months?**

Does not meet standard	The network does not meet standard for 2 or more of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default
Approaching standard	The network approaches standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default OR The network meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the network approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.
Meets standard	The network meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default
Exceeds Standard	The network meets standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default

Sub-indicator	Sub-indicator targets		Result	Rating
a) Enrollment Variance	DNMS	Enrollment variance is less than 90%	102%	MS
	AS	Enrollment variance is between 90% – 94%		
	MS	Enrollment variance equals or exceeds 95%		
b) Current Ratio	DNMS	Current ratio is less than 1.0	3.33	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
c) Days Cash on Hand	DNMS	Days cash on hand is less than 30	108	MS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
d) Debt Default	DNMS	Default or delinquent payments identified and/or is in violation of covenants	No	MS
	AS	The school is in violation of covenants, but the audit indicates that a waiver was granted		
	MS	Not in default or delinquent		

**Basis for Rating/Additional Details**

**Enrollment Ratio:** The KIPP Indianapolis network, which includes KIPP Indianapolis College Prep Middle, KIPP Indy Unite Elementary, and KIPP Indy Legacy High School, budgeted for 1,400 students before the beginning of the 2024-2025 school year. According to data from the Indiana Department of Education, the school had average daily membership counts of 1,460 students for the October 2024 count and 1,458 students for the February 2025 count. This averaged an enrollment variance of 102%.

**Current Ratio:** The network’s current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months) by at least 10%.

**Days Cash on Hand:** This measure indicates how many more days after June 30, 2025, the network would have been able to operate at its same spending levels without receiving additional funds.

**Debt Default:** This metric is determined by both the auditors’ comments in the audited financial statements and contact with the school’s creditors. In the case of KIPP Indy, neither its auditors nor its creditors provided any indication that the network had defaulted on its debt obligations.

Long-term Health: Does the organization demonstrate long-term financial health?				
Does not meet standard	The network does not meet standard on any of the 3 sub-indicators <b>OR</b> meets standard on 1 sub-indicator but does not meet standard on the remaining 2.			
Approaching standard	The network meets standard on 2 of the sub-indicators while not meeting on the third, <b>OR</b> approaches standard on all 3 sub-indicators.			
Meets standard	The network meets standard on 2 of the sub-indicators and approaches standard on the third.			
Exceeds standard	The network meets standard for all 3 sub-indicators.			
Sub-indicator	Sub-indicator targets		Result	Rating
a) Aggregate Three-Year Net Income	DNMS	Aggregate three-year net income is negative OR Aggregate three-year net income is not available and most recent year net income is negative.	\$4,845,475	MS
	AS	Aggregate three-year net income is positive and most recent year is negative OR Aggregate three-year net income is negative and most recent year net income is positive.		
	MS	Aggregate three-year net income is positive, and most recent year is positive.		
b) Debt to Asset Ratio	DNMS	Debt to Asset ratio exceeds 0.95	0.57	MS
	AS	Debt to Asset ratio is between 0.91 - 0.95		
	MS	Debt to Asset ratio is less than or equal to 0.9		
c) Debt Service Coverage (DSC) Ratio	DNMS	DSC ratio is less than 1.05	6.29	MS
	AS	DSC ratio is between 1.05 - 1.1		
	MS	DSC ratio equals or exceeds 1.2		
Basis for Rating/Additional Details				
<p><b>Aggregate Three-Year Net Income:</b> KIPP Indianapolis has a positive aggregate change of its net assets over the prior three-year period and posted a surplus during the 2024-25 fiscal year.</p> <p><b>Debt-to-Asset Ratio:</b> The school had a ratio of 0.57, meaning that it had debts that were equivalent to 57% of its assets for the 2024-25 fiscal year.</p> <p><b>Debt Service Coverage Ratio:</b> KIPP Indianapolis' audited financial statements indicated the network can adequately meet its debt obligations for the upcoming school year.</p>				
Fiscal Oversight: Does the organization demonstrate that it has adequate financial management and systems?				
Does not meet standard	The network does not meet standard on 1 of the sub-indicators.			
Approaching standard	The network meets standards on 1 sub-indicator but approaches standard for the remaining sub-indicator.			
Meets standard	The network meets standard on both sub-indicators.			
Sub-indicator	Sub-indicator targets		Rating	
a) Financial Audit	DNMS	The network receives an audit with multiple significant deficiencies, a material weakness, or has a going concern.	MS	
	AS	The network receives a clean audit opinion with few significant deficiencies noted, but no material weaknesses.		
	MS	The network receives a clean audit opinion.		
b) Financial Reporting Requirements	DNMS	The network fails to satisfy financial reporting requirements by submitting less than 80% of	MS	

		documents on time.	
	MS	The network satisfies all financial reporting requirements by submitting at least 80% of documents on time.	
<b>Basis for Rating/Additional Details</b>			
<b>Financial Audit:</b> The KIPP Indy Network received clean audit opinion from Barnes Dennig & Co. Ltd with no findings related to its internal controls over financial reporting.			
<b>Financial Reporting Requirements:</b> The network had an on-time submission rate of 100% for its yearly financial compliance submissions. This results in a rating of Meets Standard.			

### Supplemental Information

This section includes school-specific information for the school short-term health sub-indicator, presented in order of school age.

#### KIPP Indianapolis College Preparatory Middle School

Summary of Ratings							
Indicator	Year 15 2018-19	Year 16 2019-20	Year 17 2020-21	Year 18 2021-22	Year 19 2022-23	Year 20 2023-24	Year 21 2024-25
Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?	ES	ES	ES	ES	ES	ES	ES

Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?				
Does not meet standard	The school does not meet standard for 2 or more of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default			
Approaching standard	The school approaches standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.			
Meets standard	The school meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default			
Exceeds Standard	The school meets standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default			
Sub-indicator	Sub-indicator targets		Result	Rating
a) Enrollment Variance	DNMS	Enrollment variance is less than 90%	103%	MS
	AS	Enrollment variance is between 90% – 94%		
	MS	Enrollment variance equals or exceeds 95%		
b) Current Ratio	DNMS	Current ratio is less than 1.0	13.93	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		

c) Days Cash on Hand	DNMS	Days cash on hand is less than 30	178	MS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
d) Debt Default	DNMS	Default or delinquent payments identified and/or is in violation of covenants	No	MS
	AS	The school is in violation of covenants, but the audit indicates that a waiver was granted		
	MS	Not in default or delinquent		

**Basis for Rating/Additional Details**

**Enrollment Ratio:** KIPP College Preparatory Middle School budgeted for 355 students before the beginning of the 2024-2025 school year. According to data from the Indiana Department of Education, the school had average daily membership counts of 374 students for the October 2024 count and 378 students for the February 2025 count. This averaged an enrollment variance of 103%.

**Current Ratio:** The school's current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months) by at least 10%.

**Days Cash on Hand:** This measure indicates how many more days after June 30, 2025, the school would have been able to operate at its same spending levels without receiving additional funds.

**Debt Default:** Neither the audit nor the network indicated the school was in default on its debt payments.

**KIPP Indianapolis Unite Elementary School**

Summary of Ratings							
Indicator	Year 8 2021-22	Year 9 2022-23	Year 10 2023-24	Year 11 2024-25	Year 12 2025-26	Year 13 2026-27	Year 14 2027-28
Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?	ES	ES	ES	ES			

**Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?**

Does not meet standard	The school does not meet standard for 2 or more of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default
Approaching standard	The school approaches standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.
Meets standard	The school meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default
Exceeds Standard	The school meets standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default

Sub-indicator	Sub-indicator targets		Result	Rating
a) Enrollment Variance	DNMS	Enrollment variance is less than 90%	101%	MS
	AS	Enrollment variance is between 90% – 94%		
	MS	Enrollment variance equals or exceeds 95%		
b) Current Ratio	DNMS	Current ratio is less than 1.0	5.57	MS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
c) Days Cash on Hand	DNMS	Days cash on hand is less than 30	193	MS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
d) Debt Default	DNMS	Default or delinquent payments identified and/or is in violation of covenants	No	MS
	AS	The school is in violation of covenants, but the audit indicates that a waiver was granted		
	MS	Not in default or delinquent		

**Basis for Rating/Additional Details**

**Enrollment Ratio:** KIPP Unite Elementary School budgeted for 720 students before the beginning of the 2024-2025 school year. According to data from the Indiana Department of Education, the school had average daily membership counts of 732 students for the October 2024 count and 740 students for the February 2025 count. This averaged an enrollment variance of 101%.

**Current Ratio:** The school’s current assets (cash or other assets that can be accessed in the next 12 months) exceeded its current liabilities (debt obligations due in the next 12 months).

**Days Cash on Hand:** This measure indicates how many more days after June 30, 2025, the school would have been able to operate at its same spending levels without receiving additional funds.

**Debt Default:** Neither the audit nor the network indicated the school was in default on its debt payments.

**KIPP Indianapolis Legacy High School**

Summary of Ratings							
Indicator	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Year 7 2025-26
Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?	DNMS	DNMS	DNMS	DNMS	DNMS	DNMS	

**Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?**

Does not meet standard	The school does not meet standard for 2 or more of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default
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Approaching standard	The school approaches standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default OR The school meets standard for 3 of the sub-indicators and does not meet standard on the remaining sub-indicator OR the school approaches standard for two of the sub-indicators and meets standard for the remaining two sub-indicators.			
Meets standard	The school meets standard for 3 of the following sub-indicators and approaches standard for the remaining sub-indicator: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default			
Exceeds Standard	The school meets standard for all of the following sub-indicators: a) Enrollment Variance, b) Current Ratio, c) Days Cash on Hand and d) Debt Default			
Sub-indicator	Sub-indicator targets		Result	Rating
a) Enrollment Variance	DNMS	Enrollment variance is less than 90%	102%	MS
	AS	Enrollment variance is between 90% – 94%		
	MS	Enrollment variance equals or exceeds 95%		
b) Current Ratio	DNMS	Current ratio is less than 1.0	-1.78	DNMS
	AS	Current ratio is between 1.0 – 1.09		
	MS	Current ratio equals or exceeds 1.1		
c) Days Cash on Hand	DNMS	Days cash on hand is less than 30	-73	DNMS
	AS	Days cash on hand is between 30-44		
	MS	Days cash on hand equals or exceeds 45		
d) Debt Default	DNMS	Default or delinquent payments identified and/or is in violation of covenants	No	MS
	AS	The school is in violation of covenants, but the audit indicates that a waiver was granted		
	MS	Not in default or delinquent		

**Basis for Rating/Additional Details**

**Enrollment Ratio:** KIPP Legacy High School budgeted for 325 students before the beginning of the 2024-2025 school year. According to data from the Indiana Department of Education, the school had average daily membership counts of 354 students for the October 2024 count and 340 students for the February 2025 count. This averaged an enrollment variance of 102%.

**Current Ratio:** The school’s current assets (cash or other assets that can be accessed in the next 12 months) were not enough to cover its current liabilities (debt obligations due in the next 12 months) by at least 10%. Please note, although this is calculated at the school level, KIPP Indianapolis allocates funds within the organization to ensure that KIPP Legacy High School can fulfill its short-term liabilities.

**Days Cash on Hand:** This measure indicates how many more days after June 30, 2025, the school would have been able to operate at its same spending levels without receiving additional funds. Please note the school’s low days cash on hand number is due to how the KIPP Indianapolis network holds its cash across its other campuses, while the cash and expenses for this calculation are measured at the individual school level. The network commits to ensuring appropriate cash is allocated to support operations across its three schools.

**Debt Default:** Neither the audit nor the network indicated the school was in default on its debt payments.