



STATE OF INDIANA
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May 7, 2015

Charter School Board
Carpe Diem Indiana, Inc.
2240 North Meridian Street
Indianapolis, IN 46208

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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. Pages 4 through 5 contain four audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Carpe Diem Indiana, 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

CARPE DIEM INDIANA, INC.

MARION COUNTY, INDIANA

JULY 1, 2013 to JUNE 30, 2014



TABLE OF CONTENTS

SCHOOL OFFICIALS.....2

INDEPENDENT AUDITOR’S REPORT3

AUDIT RESULTS AND COMMENTS:

 Penalties Paid for Late Payments, Prescribed SBOA
 Forms, Cash Receipts and Deposits not made Daily
 and Account Payable Vouchers 4-5

EXIT CONFERENCE.....6

CARPE DIEM INDIANA, INC.

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board Treasurer	Robert Enlow	07-01-12 to 06-30-14
Account Manager	Alina Nemec	07-01-13 to 06-30-14
CEO	Robert Sommers	07-01-12 to 06-30-14
Chairman of the Board of Directors	Jason Bearce	07-01-12 to 06-30-14
School Treasurer	Timothy McConnell	07-01-12 to 06-30-14



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

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

INDEPENDENT AUDITOR'S SUPPLEMENTAL AUDIT REPORT

To The Board of Directors
of Carpe Diem Indiana, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of Carpe Diem Indiana, Inc., as of and for the year ended June 30, 2014, and have issued our report thereon dated April 20, 2015.

In our audit, we noted that Carpe Diem Indiana, Inc. failed to comply with the penalties paid for late payments, prescribed SBOA forms, cash receipts, and account payable voucher provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, as outlined in the *Guidelines for the Audits of Charter Schools Performed by Private Examiners*, issued by the Indiana State Board of Accounts.

Our audit was not directed primarily toward obtaining knowledge as to whether Carpe Diem Indiana, Inc. failed to comply with the terms of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Directors and management of Carpe Diem Indiana, Inc. and the Indiana State Board of Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Sikich, LLP'.

Sikich LLP

April 20, 2015

CARPE DIEM INDIANA, INC.

AUDIT RESULTS AND COMMENTS

PENALTIES PAID FOR LATE PAYMENTS

A credit card fee of \$39 and \$35 interest amount was assessed for a late payment on the June 12, 2014 credit card statement.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the charter school.

Additionally, employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school.

Any penalties, interest or other charges paid by the charter school may be the personal obligation of the responsible employee.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 10)

PRESCRIBED SBOA FORMS

Throughout the compliance testing, it was noted that the Charter School did not use prescribed SBOA forms in relation to account payable vouchers, cash receipts, and form 369.

All charter schools are required by law to use the forms prescribed by the State Board of Accounts; however, if it is desirable to have a prescribed form modified to conform for computer applications, a letter and copies of the proposed form shall be submitted to the State Board of Accounts for approval. No form shall be printed and placed into use, other than a prescribed form, without prior approval.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 10)

CARPE DIEM INDIANA, INC.

AUDIT RESULTS AND COMMENTS

(Continued)

CASH RECEIPTS AND DEPOSITS NOT MADE DAILY

The Charter School did not issue receipts or maintain copies of receipts when cash or checks were received. In addition, there was one instance where or in which the Charter School did not deposit cash receipts daily. On September 9, 2013, a deposit refund from tax withholding was not deposited within one business day.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment.

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 Manual, Part 8)

ACCOUNT PAYABLE VOUCHERS

The Charter School did not use accounts payable when making purchases.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless; (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 2)

CARPE DIEM INDIANA, INC.

EXIT CONFERENCE

The contents of this report were discussed on April 14, 2015 with Ray Kubik, CFO, and Robert Sommers, CEO. The officials concurred with our audit findings.