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June 16, 2016

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

We have reviewed the Supplemental Audit Report prepared by Clifton Larson Allen, LLP, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. 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 3 through 4 contain five 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, 2014 TO JUNE 30, 2015**

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**CARPE DIEM INDIANA, INC.**

**SCHEDULE OF OFFICIALS**

<u>Office</u>	<u>Official</u>	<u>Term</u>
CEO	Robert Sommers	2012 thru 2017
CFO	Ray Kubik	2012 thru 2017
Chief Learning Officer	Harold Niehaus	2012 thru 2017



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## INDEPENDENT AUDITORS' SUPPLEMENTAL AUDIT REPORT

School Officials  
Carpe Diem Indiana, Inc.  
Indianapolis, Indiana

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, 2015, and have issued our report thereon dated January 15, 2016.

In our audit, we noted that Carpe Diem Indiana, Inc. failed to supply appropriate support documentation, made late payments, had mathematical inaccuracies, received approval for payment after payments were made, paid sales tax, and made advanced payments.

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Indianapolis, Indiana  
January 15, 2016

**CARPE DIEM INDIANA, INC.  
MARION COUNTY  
AUDIT RESULTS AND COMMENTS**

**DOCUMENTED SUPPORT**

In order to accurately complete the compliance testing requirements, it is necessary that Carpe Diem Indiana, Inc. (the School) provide certain documented support. In completing the cash receipt/ deposit testing, we received only general ledger activity reports as supporting documentation for twenty-nine (29) of the sixty (60) selections. We were unable to accurately determine if compliance requirements were met for these 29 selections.

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

**DEPOSIT RECEIPT**

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. Deposit receipts could not be provided for twenty (20) of the sixty (60) items selected for testing. We were unable to accurately determine if compliance requirements were met for these 20 selections.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 8)

**INVOICE AUTHORIZATION**

The charter school must establish procedures for the initiation, approval, and use of purchase requisitions and purchase orders. The procedure for processing invoices and remitting payment includes appropriate and timely authorization by School officials to make such payments. The School's process requires the administrator to stamp all vendor invoices and sign them for approval; however, we noted that thirty-seven (37) of the sixty (60) disbursements tested did not include the approving stamp and signature.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 8)

**SALES TAX PAYMENTS**

As a nonprofit organization, the School is eligible for an exemption from the state sales tax on purchases. During testing, we noted that sales tax was paid on eight (8) of the sixty (60) disbursements tested.

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

**CARPE DIEM INDIANA, INC.  
MARION COUNTY  
AUDIT RESULTS AND COMMENTS**

**TRAVEL POLICY**

The School currently does not have a travel policy in place. Such a policy covering local and nonlocal travel is important to ensure all employees who travel are aware of acceptable policies and procedures related to travel on behalf of the School. We recommend that management develop and implement a travel policy.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 8)

**CARPE DIEM INDIANA, INC.  
MARION COUNTY  
EXIT CONFERENCE**

The contents of this report were discussed on January 11, 2016, with Ray Kubik, Chief Financial Officer. The officials concurred with our audit findings.