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July 24, 2018

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

We have reviewed the three Supplemental Audit Reports for Carpe Diem Indiana, Inc. prepared by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. In our opinion, the Supplemental Audit Reports were prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the three reports. Pages 3 through 4 contain six audit results and comments.

The Supplemental Audit Reports 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

CARPE DIEM INDIANA, INC.

CARPE DIEM MERIDIAN

MARION COUNTY, INDIANA

JULY 1, 2015 TO JUNE 30, 2016

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CARPE DIEM MERIDIAN
SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
COO	Nick Fleege	September 2016 to Present
Treasurer	Jay Cunningham	September 2016 to Present
School Superintendent	Rick Ogston	July 2016 to Present



CliftonLarsonAllen

CliftonLarsonAllen LLP
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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, 2016, and have issued our report thereon dated March 31, 2017.

In our audit, we noted that Carpe Diem Meridian (the School) failed to supply appropriate support documentation, made late payments, did not properly document approval of payments, paid sales tax, does not currently have a travel policy in place, and did not file its' compliance and financial reports timely.

Our audit was not directed primarily toward obtaining knowledge as to whether Carpe Diem Meridian 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
March 31, 2017

**CARPE DIEM MERIDIAN
MARION COUNTY
AUDIT RESULTS AND COMMENTS**

Documented Support

Carpe Diem Meridian (the School) is operated by Carpe Diem Indiana, Inc. (the Organization). The Organization also operates two other schools in Indianapolis. In completing the required compliance testing over cash receipts/ deposits, we requested a register of cash receipt/ deposit transactions separated by the three schools that the Organization operates in order to make sample selections in accordance with the Compliance Guidelines. The Organization provided a register of all cash receipt/ deposit transactions for the period of July 1, 2015 through June 30, 2016 which included 136 individual cash receipt/deposit transactions which occurred at all three schools. Because the transactions could not be identified by school, we selected all 136 cash receipt/deposit transactions for testing.

To complete the cash receipt/ deposit testing, documentation in support of the cash receipts/deposits was provided for each receipt selected. We found the supporting documentation was sufficient to determine that the cash receipt/deposit was properly recorded to each school's account for all 136 transactions tested.

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

Timely Payment

School officials and employees have the duty to pay claims and remit taxes in a timely fashion. During testing, we noted that twenty-two (22) of the sixty (60) disbursements tested were not paid in a timely fashion.

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

Invoice Authorization

The 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 twenty-one (21) 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 five (5) of the sixty (60) disbursements tested.

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

**CARPE DIEM MERIDIAN
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)

SBOA Submission

Each school must submit an annual independently audited financial statement report to the SBOA no later than December 31st, and to the ICSB by no later than January 15th, for the fiscal year ending the previous June 30th. The report was not filed timely in part due to unforeseen circumstances experienced by the auditors and the auditee, as well as challenges management is actively working through related to the financial status of the Organization.

**CARPE DIEM MERIDIAN
MARION COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on March 30, 2017, with Nick Fleege, Chief Operating Officer. The officials concurred with our audit findings.

SUPPLEMENTAL AUDIT REPORT

CARPE DIEM INDIANA, INC.

CARPE DIEM SHADELAND

MARION COUNTY, INDIANA

JULY 1, 2015 TO JUNE 30, 2016

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CARPE DIEM SHADELAND

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
COO	Nick Fleege	September 2016 to Present
Treasurer	Jay Cunningham	September 2016 to Present
School Superintendent	Rick Ogston	July 2016 to Present



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

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, 2016, and have issued our report thereon dated March 31, 2017.

In our audit, we noted that Carpe Diem Shadeland (the School) failed to supply appropriate support documentation, made late payments, did not properly document approval of payments, paid sales tax, does not currently have a travel policy in place, and did not file its' compliance and financial reports timely.

Our audit was not directed primarily toward obtaining knowledge as to whether Carpe Diem Shadeland 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
March 31, 2017

**CARPE DIEM SHADELAND
MARION COUNTY
AUDIT RESULTS AND COMMENTS**

Documented Support

Carpe Diem Shadeland (the School) is operated by Carpe Diem Indiana, Inc. (the Organization). The Organization also operates two other schools in Indianapolis. In completing the required compliance testing over cash receipts/ deposits, we requested a register of cash receipt/ deposit transactions separated by the three schools that the Organization operates in order to make sample selections in accordance with the Compliance Guidelines. The Organization provided a register of all cash receipt/ deposit transactions for the period of July 1, 2015 through June 30, 2016 which included 136 individual cash receipt/deposit transactions which occurred at all three schools. Because the transactions could not be identified by school, we selected all 136 cash receipt/deposit transactions for testing.

To complete the cash receipt/ deposit testing, documentation in support of the cash receipts/deposits was provided for each receipt selected. We found the supporting documentation was sufficient to determine that the cash receipt/deposit was properly recorded to each school's account for all 136 transactions tested.

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

Timely Payment

School officials and employees have the duty to pay claims and remit taxes in a timely fashion. During testing, we noted that twenty-seven (27) of the sixty (60) disbursements tested were not paid in a timely fashion.

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

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 fifteen (15) 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 six (6) of the sixty (60) disbursements tested.

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

**CARPE DIEM SHADELAND
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)

SBOA Submission

Each school must submit an annual independently audited financial statement report to the SBOA no later than December 31st, and to the ICSB by no later than January 15th, for the fiscal year ending the previous June 30th. The report was not filed timely in part due to unforeseen circumstances experienced by the auditors and the auditee, as well as challenges management is actively working through related to the financial status of the Organization.

**CARPE DIEM SHADELAND
MARION COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on March 30, 2017, with Nick Fleege, Chief Operating Officer. The officials concurred with our audit findings.

SUPPLEMENTAL AUDIT REPORT

CARPE DIEM INDIANA, INC.

CARPE DIEM NORTHWEST

MARION COUNTY, INDIANA

JULY 1, 2015 TO JUNE 30, 2016

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CARPE DIEM NORTHWEST

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
COO	Nick Fleege	September 2016 to Present
Treasurer	Jay Cunningham	September 2016 to Present
School Superintendent	Rick Ogston	July 2016 to Present



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CliftonLarsonAllen LLP
CLAcconnect.com

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, 2016, and have issued our report thereon dated March 31, 2017.

In our audit, we noted that Carpe Diem Northwest (the School) failed to supply appropriate support documentation, made late payments, did not properly document approval of payments, paid sales tax, does not currently have a travel policy in place, and did not file its' compliance and financial reports timely.

Our audit was not directed primarily toward obtaining knowledge as to whether Carpe Diem Northwest 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
March 31, 2017

**CARPE DIEM NORTHWEST
MARION COUNTY
AUDIT RESULTS AND COMMENTS**

Documented Support

Carpe Diem Northwest (the School) is operated by Carpe Diem Indiana, Inc. (the Organization). The Organization also operates two other schools in Indianapolis. In completing the required compliance testing over cash receipts/ deposits, we requested a register of cash receipt/ deposit transactions separated by the three schools that the Organization operates in order to make sample selections in accordance with the Compliance Guidelines. The Organization provided a register of all cash receipt/ deposit transactions for the period of July 1, 2015 through June 30, 2016 which included 136 individual cash receipt/deposit transactions which occurred at all three schools. Because the transactions could not be identified by school, we selected all 136 cash receipt/deposit transactions for testing.

To complete the cash receipt/ deposit testing, documentation in support of the cash receipts/deposits was provided for each receipt selected. We found the supporting documentation was sufficient to determine that the cash receipt/deposit was properly recorded to each school's account for all 136 transactions tested.

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

Timely Payment

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. During testing, we noted that twenty-seven (27) of the sixty (60) disbursements tested were not paid in a timely fashion.

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

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 nineteen (19) 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 one (1) of the sixty (60) disbursements tested.

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

**CARPE DIEM NORTHWEST
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)

SBOA Submission

Each school must submit an annual independently audited financial statement report to the SBOA no later than December 31st, and to the ICSB by no later than January 15th, for the fiscal year ending the previous June 30th. The report was not filed timely in part due to unforeseen circumstances experienced by the auditors and the auditee, as well as challenges management is actively working through related to the financial status of the Organization.

**CARPE DIEM NORTHWEST
MARION COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on March 30, 2017, with Nick Fleege, Chief Operating Officer. The officials concurred with our audit findings.