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May 3, 2013

Charter School Board
Padua Academy
349 North Warman Avenue
Indianapolis, IN 46222

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, Independent Public Accountants, for the period July 1, 2010 to June 30, 2012. 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 5 and 6 contain three audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Padua Academy 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.

State Board of Accounts



SUPPLEMENTAL AUDIT REPORT
OF
PADUA ACADEMY
MARION COUNTY, INDIANA
JULY 1, 2010 TO JUNE 30, 2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Head of School	Cynthia Greer	07-01-10 to 06-30-12
Business Manager	Cathy Siler Chris Brunson	07-01-10 to 05-31-12 06-01-12 to 06-30-12
President of the School Board	Holly McKiernan	07-01-10 to 06-30-12
Treasurer of the School Board	Jeff Stumpf	07-01-10 to 06-30-12



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

TO: THE OFFICIALS OF PADUA ACADEMY

We have audited the records of the Padua Academy for the periods from July 1, 2010 to June 30, 2012, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Reports of Padua Academy for the years ended June 30 2012 and 2011.

Sikich, LLP

Sikich LLP

March 8, 2013

PADUA ACADEMY AUDIT RESULTS AND COMMENTS

DEPOSITS

The internal controls established by the School Corporation required that receipts be deposited weekly or daily, if a large amount of money was on hand. For the receipts and deposits tested, we noted that some receipts were not deposited daily.

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, Chapter 8)

PENALTIES PAID FOR LATE PAYMENTS

The Charter School entered into an operating lease for copiers in which monthly payments were required. Late fees of \$4.99 were assessed on the June 2012 statement.

Additionally, on the December 2011 Bright House Network statement, a late fee of \$4.50 was assessed.

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, Chapter 10)

NON-COMPLIANCE OF PUBLIC WORKS LAWS

During the 2011 and 2012 school years the Charter School used public funds for the renovation and construction of their educational facility. The Charter School did not maintain, or make present for the audit records to substantiate that bids were sought through the proper advertisement. The Charter School also did not use the proper bid Form 96.

Upon filing of the plans and specifications, the board shall publish a notice two times, at least one week apart, with the second publication made at least seven days before the date the bids will be received, calling for sealed proposals for the public work. [IC 36-1-12-4(b)(3)]

The notice must specify the place where the plans and specifications are on file, the date fixed for receiving bids, and the amount of the bond or certified check to be filed with each bid.[IC 36-1-12-4(b)(4); IC 36-1-12-4.5]

The period of time between the date of the first publication and the date of receiving bids may not be more than six weeks. [IC 36-1-12-4(b)(5)]

Bids shall be submitted on prescribed General Form 96 (Bid for Construction). [IC 36-1-12-4(b)(7)]

(Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 16)

PADUA ACADEMY
MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 25, 2013, with Connie Zittnan, Executive Director of Mother Theodore Catholic Academies and Chris Brunson, Business Manager of Padua Academy. The officials concurred with our audit findings.