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STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 18, 2013

Charter School Board
Herron High School, Inc.
110 E. 16th Street
Indianapolis, IN 46202

We have reviewed the Supplemental Audit Report prepared by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period July 1, 2011 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. Page 3 contains three audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Herron High School, 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.

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT
OF
HERRON HIGH SCHOOL, INC.

JULY 1, 2011 TO JUNE 30, 2012

KATZ SAPPER & MILLER

HERRON HIGH SCHOOL, INC.

CONTENTS

HERRON HIGH SCHOOL, INC.

SCHOOL OFFICIALS

Office	Official	Term
Treasurer	Juli Woodrum	07-01-11 to 06-30-13
Superintendent of Schools	Janet H. McNeal	07-01-11 to 06-30-13
Board Treasurer	Karen Kennelly	07-01-11 to 06-30-13
President of the Charter School Board	Joanna Taft	07-01-11 to 06-30-13

KATZ SAPPER & MILLER

Our People: Your Success

Independent Auditors' Supplemental
Audit Report

Board of Directors
Herron High School, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Herron High School, Inc. as of and for the year ended June 30, 2012, and have issued our report thereon dated November 29, 2012.

In connection with our audit, nothing came to our attention that caused us to believe that Herron High School, Inc. failed to comply with the conditions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, as outlined in the *Guidelines for Audits of State and Local Governments by Authorized Independent Public Accountants*, issued by the Indiana State Board of Accounts, except as stated in the Audit Results and Comments.

This report is intended solely for the information and use of the Board of Directors and management of Herron High School, 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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
November 29, 2012

Katz, Sapper & Miller, LLP
Certified Public Accountants
800 East 96th Street, Suite 500
Indianapolis, IN 46240
Tel 317.580.2000
Web ksmcpa.com
An Affiliate of
KSM Business Services, Inc.

HERRON HIGH SCHOOL, INC.
AUDIT RESULTS AND COMMENTS

Year Ended June 30, 2012

PRESCRIBED FORMS

The capital asset inventory is not kept on a prescribed or approved form.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 10)

INTEREST INCURRED FOR CREDIT CARD USE

Interest expense was incurred on the December 2011 credit card statement for $158.70 due to not paying the balance in full. Interest expense was paid by the School.

Any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee is the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 10)

POLICY FOR UNCOLLECTIBLE ACCOUNTS

Management does currently follow-up on accounts outstanding and is following a process, but there is currently not an approved documented policy.

The charter school must have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 10)

HERRON HIGH SCHOOL, INC.
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2012 with Juli Woodrum, CFO; Karen Kennelly, Board Treasurer; and Janet McNeal, Superintendent of Schools. The officials concurred with our audit findings.

The Official Response has been made a part of this report and may be found on page 5.

An Indianapolis
Classical
High School

HERRON
HIGH SCHOOL

110 East 16th Street
Indianapolis, Indiana 46202
317-231-0010
www.herronhighschool.org

November 29, 2012

Katz, Sapper & Miller, LLP
Indianapolis, Indiana

Re: OFFICIAL RESPONSE

To Whom It May Concern:

As an official response to the Audit Results and Comments that accompany the audit report of Herron High School for the period July 1, 2011 to June 30, 2012, Herron High School respectively submits the following:

Prescribed Forms

In order to comply with the standards related to capital asset inventory forms, Herron High School will seek approval of the report that is currently used from the State Board of Accounts.

Interest Incurred from Credit Card Use

Herron High School will ensure that interest is not incurred on the school credit card by processing payment in a timely matter. Payments will be processed prior to or during school breaks to avoid interest charges.

Policy for Uncollectible Accounts

As stated in the audit comments, a procedure does exist for collecting delinquent student accounts. This process will be formalized and will be included in the Business Office's policy and procedure manual.

Thank you for the opportunity to respond to the Audit Results and Comments. We sincerely appreciate the work of your team and the audit process.

Regards,

Juli Woodrum

Juli Woodrum
Chief Financial Officer