B41959

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 14, 2013

Charter School Board
Flanner House Elementary School, Inc.
2424 Dr. Martin Luther King Jr. Street
Indianapolis, IN 46208

We have reviewed the Supplemental Audit Report prepared by Sikich, 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 5 contains two audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Flanner House Elementary 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

FLANNER HOUSE ELEMENTARY SCHOOL, INC.

MARION COUNTY, INDIANA

JULY 1, 2011 TO JUNE 30, 2012

TABLE OF CONTENTS

Description	Page
School Officials	3
Transmittal Letter	4
Audit Results and Comments:	
Deposits	5
Late Fees	5
Exit Conference	6

SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Latika Warthaw	07-01-10 to 06-30-12
Business Manager	Tanjla Lawrence	07-01-09 to 06-30-12
President of the School Board	Patricia Roe	07-01-09 to 06-30-12
Treasurer of the School Board	Brooke Dunn	07-01-09 to 06-30-12

Sikich®

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

317.842.4466 // www.sikich.com

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

TO: THE OFFICIALS OF FLANNER HOUSE ELEMENTARY SCHOOL, INC.

We have audited the records of the Flanner House Elementary School, Inc. for the period from July 1, 2011 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 Report of Flanner House Elementary School, Inc. for the year ended June 30, 2012.

Sikich, LLP

Sikich LLP

January 25, 2013

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)

LATE FEES

The School Corporation has an ongoing line of credit with Dell Financial Services that requires a minimum monthly payment equal to the amount of interest for that month. The School Corporation did not make all required payments in a timely manner which resulted in the assessment of a late fee for the June 2012 payment. For the 2011-2012 school years, late fees totaling $29 were paid.

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)

FLANNER HOUSE ELEMENTARY SCHOOL, INC.
MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 26, 2013, with Latika Warthaw, Treasurer, Tanjla Lawrence, Business Manager, and Patricia Roe, President of the School Board. The officials concurred with our audit findings.