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STATE OF INDIANA

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STATE BOARD OF ACCOUNTS
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January 13, 2014

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

We have reviewed the Supplemental Audit Report prepared by Sikich, LLC, Independent Public Accountants, for the period July 1, 2012 to June 30, 2013. 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 finding in the report. Page 5 contains one audit result and comment. Management's response is on page 7.

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.
AND ITS WHOLLY OWNED SUBSIDIARY

JULY 1, 2012 TO JUNE 30, 2013

TABLE OF CONTENTS

HERRON HIGH SCHOOL, INC. AND ITS WHOLLY OWNED SUBSIDIARY

SCHOOL OFFICIALS

Office	Official	Term
Treasurer	Juli Woodrum	07/01/11 to 6/30/13
Superintendent of Schools	Janet H. McNeal	07/01/11 to 6/30/13
Board Treasurer	Karen Kennelly	07/01/11 to 6/30/13
President of the Charter School Board	Joanna Taft	07/01/11 to 6/30/13

Sikich®

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INDEPENDENT AUDITOR'S SUPPLEMENTAL AUDIT REPORT

To The Board of Directors
of Herron High School, Inc. and its Wholly Owned Subsidiary

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Herron High School, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated November 11, 2013.

In our audit, nothing came to our attention that caused us to believe that Herron High School, Inc. and its Wholly Owned Subsidiary failed to comply with the conditions of the *Accountant 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 its Wholly Owned Subsidiary 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.

Sikich, LLP

Sikich LLP

November 11, 2013

HERRON HIGH SCHOOL, INC. AND ITS WHOLLY OWNED SUBSIDIARY

Audit Results and Comments

PENALTIES AND INTEREST PAID FOR LATE PAYMENTS

On the July 2012 credit card statement, a late fee of $39 and interest of $414.82 was assessed. Additionally, on the March and April 2013 credit card statements $459.13 and $527.44 of interest was assessed.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Policies and procedures should be implemented to ensure credit card statements are paid on time and in full.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the school.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

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

HERRON HIGH SCHOOL, INC. AND ITS WHOLLY OWNED SUBSIDIARY

Exit Conference

The contents of this report were discussed on November 12, 2013, 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 7.

An Indianapolis
Classical
High School

HERRON
HIGH SCHOOL

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

November 15, 2013

Sikich, 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, 2012 to June 30, 2013, Herron High School respectively submits the following:

PENALTIES AND INTEREST PAID FOR LATE PAYMENTS

While Herron High School makes every effort to ensure that penalties and interest are not incurred on the school credit card, the logistics involved with issuing checks sometimes makes this very difficult to achieve. As all checks are processed offsite by an outsourced bookkeeping firm, several days pass between the time Herron submits the voucher for payment and the check is posted by the credit card company. Herron is currently evaluating banking options that will allow us to send electronic payment to the credit card companies. This will allow us to remit payment in a more timely manner.

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
Chief Financial Officer