



**STATE OF INDIANA**  
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October 15, 2015

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 Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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 transmittal letter and to the finding in the report. The transmittal letter is located on Page 1. Page 3 contains one audit result and comment.

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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

SUPPLEMENTAL AUDIT REPORT

OF

**FLANNER HOUSE ELEMENTARY SCHOOL, INC.**

MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2014

**Fitzgerald** | **Isaac** LLC  
Certified Public Accountants

FLANNER HOUSE ELEMENTARY SCHOOL, INC.

MARION COUNTY, INDIANA

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FLANNER HOUSE ELEMENTARY SCHOOL, INC.

MARION COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Patricia Roe	07/01/13 – 06/30/14
School Leader	Latika Warthaw	07/01/13 – 06/30/14
School Treasurer	Latika Warthaw	07/01/13 – 06/30/14

The Board of Directors  
Flanner House Elementary School, Inc.

We were engaged to audit the financial statements of **Flanner House Elementary School, Inc.** (the "School") as of and for the year ended June 30, 2014. Because of difficulties in obtaining sufficient appropriate audit evidence, we were unable to and did not express an opinion on those financial statements. As part of our audit, we were also engaged to test the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters which precluded our ability to test the School's compliance with those provisions.



Indianapolis, IN  
June 10, 2015

FLANNER HOUSE ELEMENTARY SCHOOL, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

RECORD RETENTION

We were unable to conduct testing relating of compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts due to the lack of records and documentation of business and financial transactions. The School relinquished its charter and ceased operations in September 2014. Adequate provision was not made to retain school records in a satisfactory manner for retrieval, specifically:

1. Employee payroll records
2. Teacher contracts and personnel files
3. Cash receipt books
4. Textbook rental and school lunch forms, including documentation to support student income eligibility (Form 521)
5. Prepaid lunch support
6. Cash bond or insurance policy that protects the School from employee theft, fraud, errors, and omissions
7. Capital asset inventory documentation
8. Extra-curricular activity and ticket sales documentation

Charter school administrators must be cognizant of their duties of care, loyalty, and obedience. The duty of care requires administrators to be familiar with the charter school's finances and activities and to participate regularly in its operations. Duty of loyalty requires that any conflict of interest, real or possible, always be disclosed in advance of being employed and when they arise. A charter school has the duty to insure that the school complies with applicable laws and regulations and its internal policies and procedures. (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8*)

FLANNER HOUSE ELEMENTARY SCHOOL, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on September 8, 2015 with representatives of Bookkeeping Plus, Inc., the contracted bookkeeping service employed by the School. Because of the School's election to dissolve the organization, no official response could be obtained.