

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS

MARION COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
02/24/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Statement of Activities and Net Assets - Cash and Investments Basis.....	4-5
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investments Funds	6-7
Statement of Additions, Deductions, and Changes in Cash and Investment Balances - Fiduciary Funds.....	8-9
Notes to Financial Information	10-14
Fund Financial Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investments Basis – Other Governmental Funds.....	15-16
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	17-18
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds	19-20
Supplementary Information:	
Schedule of Long-Term Debt	21
Examination Result and Comment:	
Compensation and Benefits	22
Exit Conference.....	23
Official Response	24

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	John Aytekin Hasan Damar	07-01-07 to 01-01-08 01-02-08 to 06-30-09
Director	John Aytekin	07-01-07 to 06-30-09
President of the School Board	Dr. Kent Millard	07-01-07 to 06-30-09



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA MATH AND SCIENCE
ACADEMY - INDIANAPOLIS, MARION COUNTY, INDIANA

We have examined the financial information presented herein of the Indiana Math and Science Academy - Indianapolis (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 11, 2010

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 681,830	\$ -	\$ 8,164	\$ (673,666)	
Support services	583,567	27,318	44,084	(512,165)	
Noninstructional services	71,154	-	-	(71,154)	
Facilities acquisition and construction	381,681	-	-	(381,681)	
Debt service	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	
Total governmental activities	<u>\$ 1,738,232</u>	<u>\$ 27,318</u>	<u>\$ 52,248</u>	<u>(1,658,666)</u>	
General receipts:					
Property taxes					1,043
Other local sources					9,207
State aid					421,503
Bonds and loans					1,127,378
Grants and contributions not restricted to specific programs					334,205
Investment earnings					2,894
Other					<u>25</u>
Total general receipts					<u>1,896,255</u>
Change in net assets					237,589
Net assets - beginning					<u>-</u>
Net assets - ending					<u>\$ 237,589</u>
<u>Assets</u>					
Cash and investments					<u>\$ 237,589</u>
<u>Net Assets</u>					
Unrestricted					<u>\$ 237,589</u>

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 761,831	\$ -	\$ 15,352	\$ (746,479)
Support services	929,705	14,347	59,215	(856,143)
Noninstructional services	103,583	-	-	(103,583)
Facilities acquisition and construction	497,869	-	-	(497,869)
Debt service	96,774	-	-	(96,774)
Nonprogrammed charges	<u>807</u>	<u>-</u>	<u>-</u>	<u>(807)</u>
Total governmental activities	<u>\$ 2,390,569</u>	<u>\$ 14,347</u>	<u>\$ 74,567</u>	<u>(2,301,655)</u>
General receipts:				
Property taxes				435,516
Other local sources				24,516
State aid				1,112,366
Bonds and loans				180,218
Grants and contributions not restricted to specific programs				461,322
Investment earnings				<u>6,618</u>
Total general receipts				<u>2,220,556</u>
Change in net assets				(81,099)
Net assets - beginning				<u>237,589</u>
Net assets - ending				<u>\$ 156,490</u>
<u>Assets</u>				
Cash and investments				<u>\$ 156,490</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 156,490</u>

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Donations, Gifts and Trust	Federal Programs	Other	Totals
Receipts:					
Local sources	\$ 31,648	\$ -	\$ -	\$ 12,068	\$ 43,716
State sources	429,187	-	-	9,084	438,271
Federal sources	-	36,956	294,500	35,000	366,456
Temporary loans	1,127,378	-	-	-	1,127,378
Total receipts	1,588,213	36,956	294,500	56,152	1,975,821
Disbursements:					
Current:					
Instruction	598,450	-	82,105	1,275	681,830
Support services	510,301	-	73,241	25	583,567
Noninstructional services	29,464	-	330	41,360	71,154
Facilities acquisition and construction	246,593	-	135,088	-	381,681
Debt services	20,000	-	-	-	20,000
Total disbursements	1,404,808	-	290,764	42,660	1,738,232
Excess of receipts over disbursements	183,405	36,956	3,736	13,492	237,589
Other financing sources (uses):					
Transfers in	-	-	-	100,000	100,000
Transfers out	(100,000)	-	-	-	(100,000)
Total other financing sources (uses)	(100,000)	-	-	100,000	-
Excess of receipts and other financing sources over disbursements and other financing uses	83,405	36,956	3,736	113,492	237,589
Cash and investments - beginning	-	-	-	-	-
Cash and investments - ending	\$ 83,405	\$ 36,956	\$ 3,736	\$ 113,492	\$ 237,589
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 83,405</u>	<u>\$ 36,956</u>	<u>\$ 3,736</u>	<u>\$ 113,492</u>	<u>\$ 237,589</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 83,405</u>	<u>\$ 36,956</u>	<u>\$ 3,736</u>	<u>\$ 113,492</u>	<u>\$ 237,589</u>

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Title I	Donations, Gifts and Trust	Federal Programs	Other	Totals
Receipts:						
Local sources	\$ 477,292	\$ -	\$ -	\$ -	\$ 3,705	\$ 480,997
State sources	1,130,078	-	-	-	9,094	1,139,172
Federal sources	-	128,131	(36,956)	195,350	222,558	509,083
Temporary loans	180,218	-	-	-	-	180,218
Total receipts	1,787,588	128,131	(36,956)	195,350	235,357	2,309,470
Disbursements:						
Current:						
Instruction	664,411	48,805	-	3,865	44,750	761,831
Support services	857,761	3,936	-	30,563	37,445	929,705
Noninstructional services	51,626	-	-	-	51,957	103,583
Facilities acquisition and construction	296,594	36,011	-	64,814	100,450	497,869
Debt services	96,774	-	-	-	-	96,774
Nonprogrammed charges	807	-	-	-	-	807
Total disbursements	1,967,973	88,752	-	99,242	234,602	2,390,569
Excess (deficiency) of receipts over disbursements	(180,385)	39,379	(36,956)	96,108	755	(81,099)
Other financing sources (uses):						
Transfers in	103,255	-	-	-	-	103,255
Transfers out	-	-	-	-	(103,255)	(103,255)
Total other financing sources (uses)	103,255	-	-	-	(103,255)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(77,130)	39,379	(36,956)	96,108	(102,500)	(81,099)
Cash and investments - beginning	83,405	-	36,956	3,736	113,492	237,589
Cash and investments - ending	\$ 6,275	\$ 39,379	\$ -	\$ 99,844	\$ 10,992	\$ 156,490
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,275	\$ 39,379	\$ -	\$ 99,844	\$ 10,992	\$ 156,490
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 6,275	\$ 39,379	\$ -	\$ 99,844	\$ 10,992	\$ 156,490

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 183,035	
Total additions	183,035	
Deductions:		
Administrative and general	52,856	
Total deductions	52,856	
Excess of total additions over total deductions	130,179	
Cash and investment fund balance - beginning	-	
Cash and investment fund balance - ending	\$ 130,179	\$ 835
Net assets:		
Cash and investments	\$ 130,179	
Total net assets - cash and investment basis held in trust	\$ 130,179	

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 518	
Total additions	518	
Deductions:		
Administrative and general	130,179	
Total deductions	130,179	
Excess (deficiency) of total additions over total deductions	(129,661)	
Cash and investment fund balance - beginning	130,179	
Cash and investment fund balance - ending	\$ 518	\$ 5,558
Net assets:		
Cash and investments	\$ 518	
Total net assets - cash and investment basis held in trust	\$ 518	

The notes to the financial statements are an integral part of this statement.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The title I fund accounts for the receipts and disbursements for the title I program.

The donations, gifts and trust fund monies were from a federal program named ECIA CH I LEA DIST. Upon receiving it, money was held and transferred the following year to the federal programs fund. The 2007-2008 school year was the first fiscal year.

The federal programs fund accounts for the planning and implementation of the state awarded federal programs.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the various individuals and programs.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
NOTES TO FINANCIAL INFORMATION
(Continued)

Agency funds account for assets held by the School Corporation as an agent for employees and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
NOTES TO FINANCIAL INFORMATION
(Continued)

adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Other governmental	\$ 100,000	\$ -
Other governmental	General Fund	-	103,255
Totals		<u>\$ 100,000</u>	<u>\$ 103,255</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

Note 6. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
NOTES TO FINANCIAL INFORMATION
(Continued)

retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teacher's Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	School Lunch	Textbook Rental	Letter of Credit	Totals
Receipts:				
Local sources	\$ 6,360	\$ 2,453	\$ 3,255	\$ 12,068
State sources	-	9,084	-	9,084
Federal sources	35,000	-	-	35,000
	<u>41,360</u>	<u>11,537</u>	<u>3,255</u>	<u>56,152</u>
Total receipts				
Disbursements:				
Current:				
Instruction	-	1,275	-	1,275
Support services	-	25	-	25
Noninstructional services	41,360	-	-	41,360
	<u>41,360</u>	<u>1,300</u>	<u>-</u>	<u>42,660</u>
Total disbursements				
Excess of receipts over disbursements	<u>-</u>	<u>10,237</u>	<u>3,255</u>	<u>13,492</u>
Other financing sources (uses); Transfers in	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>10,237</u>	<u>103,255</u>	<u>113,492</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,237</u>	<u>\$ 103,255</u>	<u>\$ 113,492</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	<u>\$ -</u>	<u>\$ 10,237</u>	<u>\$ 103,255</u>	<u>\$ 113,492</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Unrestricted	<u>\$ -</u>	<u>\$ 10,237</u>	<u>\$ 103,255</u>	<u>\$ 113,492</u>

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	School Lunch	Textbook Rental	Letter of Credit	Title I	IDEA PL 101-476	Fiscal Stabilization	Totals
Receipts:							
Local sources	\$ 1,960	\$ 1,745	\$ -	\$ -	\$ -	\$ -	\$ 3,705
State sources	-	9,094	-	-	-	-	9,094
Federal sources	50,121	-	-	12,225	21,284	138,928	222,558
Total receipts	52,081	10,839	-	12,225	21,284	138,928	235,357
Disbursements:							
Current:							
Instruction	-	10,019	-	12,225	21,284	1,222	44,750
Support services	124	65	-	-	-	37,256	37,445
Noninstructional services	51,957	-	-	-	-	-	51,957
Facilities acquisition and construction	-	-	-	-	-	100,450	100,450
Total disbursements	52,081	10,084	-	12,225	21,284	138,928	234,602
Excess of receipts over disbursements	-	755	-	-	-	-	755
Other financing sources (uses);							
Transfers out	-	-	(103,255)	-	-	-	(103,255)
Total other financing sources (uses)	-	-	(103,255)	-	-	-	(103,255)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	755	(103,255)	-	-	-	(102,500)
Cash and investments - beginning	-	10,237	103,255	-	-	-	113,492
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,992</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ 10,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,992</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ 10,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,992</u>

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Donations, Gift, and Trust
Additions:	
Contributions:	
Other	\$ <u>183,035</u>
Total additions	<u>183,035</u>
Deductions:	
Administrative and general	<u>52,856</u>
Excess of total additions over total deductions	130,179
Cash and investment fund balance - beginning	<u>-</u>
Cash and investments - June 30	<u>\$ 130,179</u>
Net assets:	
Cash and investments	<u>\$ 130,179</u>
Total net assets - cash and investment basis held in trust	<u>\$ 130,179</u>

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Donations, Gift, and Trust</u>	<u>School Administration</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ -	\$ 518	\$ 518
Total additions	<u>-</u>	<u>518</u>	<u>518</u>
Deductions:			
Administrative and general	<u>130,179</u>	<u>-</u>	<u>130,179</u>
Excess (deficiency) of total additions over total deductions	(130,179)	518	(129,661)
Cash and investment fund balance - beginning	<u>130,179</u>	<u>-</u>	<u>130,179</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 518</u>	<u>\$ 518</u>
Net assets:			
Cash and investments	<u>\$ -</u>	<u>\$ 518</u>	<u>\$ 518</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 518</u>	<u>\$ 518</u>

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	PERF	TRF	Totals
Additions:			
Agency fund additions	\$ 634	\$ (129)	\$ 505
Deductions:			
Agency fund deductions	(243)	(87)	(330)
Excess (deficiency) of total additions over total deductions	877	(42)	835
Cash and investment fund balance - beginning	-	-	-
Cash and investment fund balance - ending	\$ 877	\$ (42)	\$ 835

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	PERF	TRF	Totals
Additions:			
Agency fund additions	\$ -	\$ 5,600	\$ 5,600
Deductions:			
Agency fund deductions	877	-	877
Excess (deficiency) of total additions over total deductions	(877)	5,600	4,723
Cash and investment fund balance - beginning	877	(42)	835
Cash and investment fund balance - ending	\$ -	\$ 5,558	\$ 5,558

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 1,221,772	\$ -

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
EXAMINATION RESULT AND COMMENT

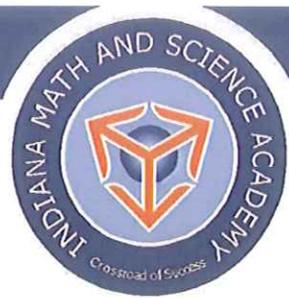
COMPENSATION AND BENEFITS

All employees at year end received bonuses in total of \$2,000 in the 2008 school year and of \$3,230 in the 2009 school year. These bonuses were not included in the salary, resolution or approved by School Board.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS
EXIT CONFERENCE

The contents of this report were discussed on January 11, 2010, with John Aytekin, Director; Fatih Unlu, Dean of Academics; Hasan Damar, Business Manager/Treasurer; and Joan Wilson, Bookkeeping Plus, Inc. The official response has been made a part of this report and may be found on page 24.



Dear Lisa Dungan,

Indiana Math and Science Academy would like to formally respond to the audit comment noted in your examination results for 2008 and 2009.

Year end bonuses were paid to staff based on a formal structure that was board approved. The overall bonus pool was also listed as a budget line item that was board approved. In its approval of the budget, the board gave full approval to the school principal to pay out these bonuses to staff in according with the bonus structure. This is the procedure that was followed in both 2008 and 2009.

Thank you very much for earliest attention.

Sincerely,

John Aytekin

IMSA Director