



STATE OF INDIANA
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January 26, 2016

Charter School Board
Indiana Math and Science Academy-
South Indianapolis Charter School, Inc.
2710 Bethel Ave
Indianapolis, IN 46203

We have reviewed the Supplemental Audit Report prepared by Donovan P.C., Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. 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. Pages 3 and 4 contain three audit results and comments. Management's response is on page 6.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Indiana Math and Science Academy – South Indianapolis Charter 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
**INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.**
MARION COUNTY, INDIANA
July 1, 2014 to June 30, 2015



INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.

MARION COUNTY, INDIANA

Table of Contents

	<u>Page</u>
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Textbook and School Lunch Reimbursement	3
Cash Receipts and Deposits	3
Vendor Disbursements	4
Exit Conference	5
Official Response	6

INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.

MARION COUNTY, INDIANA

School Officials

July 1, 2014 to June 30, 2015

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Bulent Guler Kent Millard	07/01/14 – 11/09/14 11/10/14 – 06/30/15
Director	Cathy Sparks	07/01/14 – 06/30/15
Treasurer	Halil Dulgeroglu	07/01/14 – 06/30/15



The Board of Directors
Indiana Math and Science Academy – South Indianapolis Charter School, Inc.

We have audited the financial statements of **Indiana Math and Science Academy – South Indianapolis Charter School, Inc.** (the “School”) as of and for the year ended June 30, 2015 and have issued our report thereon dated November 16, 2015. As part of our audit, we tested 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 where we believe the School was not in compliance with those provisions.

Donovan P.C.

Indianapolis, IN
November 16, 2015

INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2014 to June 30, 2015

TEXTBOOK AND SCHOOL LUNCH REIMBURSEMENT

We selected a sample of 25 students for the purpose of verifying the income eligibility for subsidized meals and textbook reimbursement. Within this sample we noted three instances where students were determined eligible for free or reduced price meals, but the eligibility application could not be located.

Charter schools must provide accurate information to the Indiana Department of Education pertaining to the number of students that received free/reduced textbooks. If a variance occurs between the charter school records and the report provided the IDOE, then written communication must also request a determination if any increases or decreases in funding will result to the charter school because of the variance. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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, Part 10)

CASH RECEIPTS AND DEPOSITS

The School receives cash payments for various purposes, including uniform purchases, meals, and field trips. Procedures were in place to process cash collections; however, we noted that in 11 instances out of a sample of 25 transactions that the bank deposit was not made in a timely manner. The delay ranged from 5 to 26 days between the date of collection and the date of deposit.

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, Part 8)

INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.

MARION COUNTY, INDIANA

Audit Results and Comments, Continued

July 1, 2014 to June 30, 2015

VENDOR DISBURSEMENTS

In our sample of thirty-one vendor disbursements, we noted five instances where the School paid sales tax on the purchase. The total amount of sales tax paid was \$410.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application should be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

INDIANA MATH AND SCIENCE ACADEMY – SOUTH INDIANAPOLIS
CHARTER SCHOOL, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2014 to June 30, 2015

The contents of this report were discussed on December 14, 2015 with Mustafa Arslan (Superintendent), Hasan Akkaya (Principal), and Halil Dulgeroglu (Treasurer). The Official Response has been made a part of this report and may be found on page 6.



December 10th, 2015

Indiana Math and Science Academy South would like to formally respond to the audit comment noted in your examination results for 2015.

- **Textbook and School Lunch Reimbursement:** Indiana Math and Science Academy South decided that free and reduced breakfast and lunch application forms and direct certification lists will be kept properly and will be internally reviewed by the second person assigned by the school director throughout the school year.
- **Cash Receipts and Deposits:** Indiana Math and Science Academy South will make sure that collected money in the office will be deposited in a timely manner.
- **Vendor Disbursement:** This item was shared with purchasing department and school principal. IMSA South will make sure not to pay any sales taxes for future purchases.

A handwritten signature in purple ink, appearing to read "Hasan Akkaya".

Hasan Akkaya
Principal