



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B41604

STATE BOARD OF ACCOUNTS
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January 4, 2013

Charter School Board
IFWCS Campus II, Inc. d/b/a Imagine Schools on Broadway
2320 Broadway Street
Fort Wayne, IN 46807

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, 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 3 contains two audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for IFWCS Campus II, Inc. d/b/a Imagine Schools on Broadway 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
IFWCS CAMPUS II, INC.
d/b/a
IMAGINE SCHOOLS ON BROADWAY

ALLEN COUNTY, INDIANA

July 1, 2011 to June 30, 2012

IFWCS CAMPUS II, INC.
d/b/a
IMAGINE SCHOOLS ON BROADWAY

ALLEN COUNTY, INDIANA

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IFWCS CAMPUS II, INC.
d/b/a
IMAGINE SCHOOLS ON BROADWAY

ALLEN COUNTY, INDIANA

School Officials

Year Ended June 30, 2012

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Tony Booker Frank Gallucci	07/01/11 – 12/21/11 12/21/11 – 06/30/12
Executive Vice President	Jason Bryant	07/01/11 – 06/30/12
Regional Director	Rachel Cirullo	07/01/11 – 06/30/12
Principal	RaChelle Spearman	07/01/11 – 06/30/12
Regional Business Manager	Amy Williams	07/01/11 – 06/30/12
Regional Accountant – Treasurer	Larysa Thorsteinson	07/01/11 – 06/30/12
School Business Manager	Shelley Wiesenber	07/01/11 – 06/30/12

The Board of Directors
IFWCS Campus II, Inc.

We have audited the financial statements of **IFWCS Campus II, Inc. d/b/a Imagine Schools on Broadway** (the "School") as of and for the year ended June 30, 2012 and have issued our report thereon dated November 13, 2012. 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.



Indianapolis, IN
November 13, 2012

IFWCS CAMPUS II, INC.
d/b/a
IMAGINE SCHOOLS ON BROADWAY

ALLEN COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2012

CASH RECEIPTING AND DEPOSITING

In our examination of cash receipts transactions, we noted that prenumbered receipts are used only for textbook rentals. School lunch receipts are controlled and reported through the Power School system. Other sources of payment (field trips, contributions, fundraising) are not receipted.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

CAPITAL ASSETS

The School maintains a property record for accounting purposes, but this record does not include all assets in the possession of the School. A large number of assets with an initial cost of less than \$1,000 have been expensed in accordance with the School's accounting policies. A complete record of assets, whether capitalized or expensed, should be produced and maintained for disaster recovery purposes.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

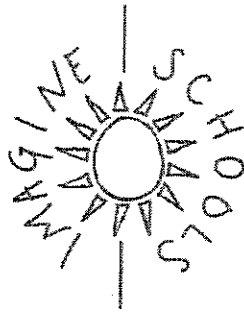
IFWCS CAMPUS II, INC.
d/b/a
IMAGINE SCHOOLS ON BROADWAY

ALLEN COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2012

The contents of this report were discussed on November 26, 2012, with RaChelle Spearman (Principal) and Amy Williams (Regional Business Manager and Treasurer). The Official Response has been made a part of this report and may be found on page 5.



IFWCS Campus II, Inc

Allen County, IN

Official Response

Year Ended June 30, 2012

Cash Receipting and Depositing

Money will be collected and receipted by the business office. The business Office will attach supporting documentation of all cash receipted. The business office will deposit cash no later than the next business day.

Capital Assets

The school will complete an inventory of all furniture, equipment, textbooks, computers, etc. by classroom before the close of the fiscal year.

Imagine Schools

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"Developing Character, Enriching Minds"