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STATE OF INDIANA

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March 8, 2013

Charter School Board
Indiana Math and Science
Academy – North Indianapolis, Inc.
7435 North Keystone Avenue
Indianapolis, IN 46240

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 to June 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Indiana Math and Science Academy – North Indianapolis, Inc., as of June 30, 2012 and 2011, and the results of its operations for the periods then ended, on the basis of accounting described in the report.

In addition to the report presented herein, a Supplemental Audit Report for Indiana Math and Science Academy – North Indianapolis, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

State Board of Accounts

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

Financial Statements and Federal Single Audit Report

June 30, 2012 and 2011

Fitzgerald Isaac LLC
Certified Public Accountants

INDIANA MATH & SCIENCE ACADEMY - NORTH INDIANAPOLIS, INC.

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Fitzgerald Isaac LLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Indiana Math and Science Academy – North Indianapolis, Inc.

We have audited the accompanying statements of financial position of **Indiana Math and Science Academy – North Indianapolis, Inc.** (the "School") as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Indiana Math and Science Academy – North Indianapolis, Inc.** as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2013 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Indianapolis, IN
January 25, 2013

INDIANA MATH AND SCIENCE ACADEMY - NORTH INDIANAPOLIS, INC.

Statements of Financial Position

Assets	June 30 2012	June 30 2011
Current assets:		
Cash and cash equivalents	$ 329,517	116,046
Accounts receivable:		
State education support	1,365,496	922,122
Grants	116,622	209,680
Other	20,832	10,007
Prepaid expenses	54,425	47,977
Total current assets	1,886,892	1,305,832
Property and equipment:		
Textbooks	172,644	127,054
Leasehold improvements	24,877	15,180
Furniture and equipment	579,640	351,038
Less: Accumulated depreciation	(204,722)	(84,488)
Property and equipment, net	572,439	408,784
	$ 2,459,331	1,714,616

Liabilities and Net Assets	2012	2011
Current liabilities:		
Accounts payable and accrued expenses	$ 331,425	111,161
Notes payable	100,000	130,000
Current portion of capital lease obligation	11,094	7,647
Refundable advances	24,801	26,502
Total current liabilities	467,320	275,310
Accrued interest on Common School Fund loans	53,607	-
Long-term debt	1,391,540	1,249,496
Capital lease obligation	15,679	22,131
Total liabilities	1,928,146	1,546,937
Net assets:		
Unrestricted	496,958	121,581
Temporarily restricted	34,227	46,098
	531,185	167,679
Total net assets		
	$ 2,459,331	1,714,616

See accompanying notes to financial statements.

INDIANA MATH AND SCIENCE ACADEMY - NORTH INDIANAPOLIS, INC

Statements of Activities

	Year Ended June 30, 2012			Year Ended June 30, 2011		
Revenue, Gains and Support	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
State education support	$ 2,730,993	-	2,730,993	1,844,705	-	1,844,705
Grant revenue	1,072,890	-	1,072,890	719,306	-	719,306
Student fees	51,405	-	51,405	53,653	-	53,653
Contributions	-	-	-	-	240,000	240,000
Other	10,887	-	10,887	7,921	-	7,921
Net assets released from restriction	11,871	(11,871)	-	193,902	(193,902)	-
Total revenue, gains and support	3,878,046	(11,871)	3,866,175	2,819,487	46,098	2,865,585
Expenses						
Program services:						
Educational instruction	2,347,292	-	2,347,292	1,690,713	-	1,690,713
Education support	566,208	-	566,208	502,475	-	502,475
Administrative	589,169	-	589,169	489,561	-	489,561
Total expenses	3,502,669	-	3,502,669	2,682,749	-	2,682,749
Increase (decrease) in net assets	375,377	(11,871)	363,506	136,738	46,098	182,836
Net assets, beginning of year	121,581	46,098	167,679	(15,157)	-	(15,157)
Net assets, end of year	$ 496,958	34,227	531,185	121,581	46,098	167,679

See accompanying notes to financial statements.

Statements of Cash Flows

		Year Ended June 30	
Operating Activities		2012	2011
Change in net assets	$	363,506	182,836
Adjustments to reconcile change in net assets to cash flows from operating activities:			
Depreciation		120,234	83,511
Change in:			
Accounts receivable		(361,141)	(1,141,809)
Prepaid expenses		(6,448)	(47,977)
Accounts payable and accrued expenses		273,871	108,322
Refundable advances		(1,701)	26,502
Net cash provided (used) by operating activities		388,321	(788,615)
Investing Activities			
Acquisition of property and equipment		(283,889)	(432,368)
Net cash used by investing activities		(283,889)	(432,368)
Financing Activities			
Proceeds from State of Indiana loans		142,044	1,249,496
Proceeds from short-term borrowing, net of repayments		(30,000)	80,000
Principal reduction of capital lease obligation		(3,005)	(2,935)
Net cash provided by financing activities		109,039	1,326,561
Net increase in cash		213,471	105,578
Cash and cash equivalents, beginning of year		116,046	10,468
Cash and cash equivalents, end of year	$	329,517	116,046
Supplemental disclosures:			
Cash paid for interest expense	$	689	760
Non-cash investing and financing activities:			
Equipment obtained under capital lease	$	-	32,713

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

General

Indiana Math and Science Academy – North Indianapolis, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24-3-1 and is sponsored by the Mayor's Office of the City of Indianapolis. The School commenced operations as of July 1, 2010.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Subsequent Events

The School evaluated subsequent events through January 25, 2013, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in equal monthly installments in January through December following the start of the school year. Revenue is recognized in the school year in which educational services are rendered.

(1) Summary of Significant Accounting Policies, Continued

Property and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than $1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Textbooks	5 years
Leasehold improvements	40 years
Furniture and equipment	3 to 5 years

Taxes on Income

Indiana Math and Science Academy – North Indianapolis, Inc. has applied for determination from the U.S. Treasury Department that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. As of June 30, 2012, this determination was not received. The School is operating under the belief that an affirmative determination will be received. As such, no accounting for federal and state income taxes has been included in the accompanying financial statements.

Professional standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The tax year ending June 30, 2011 is open to audit for both federal and state purposes.

(2) Accounts Receivable

Accounts receivable for state education support as of June 30, 2012 and 2011 represents amounts due from the State of Indiana relating to the following sources:

	2012	2011
Tuition support	$1,313,321	875,368
Special education grant	45,768	40,794
Prime Time grant	6,407	5,960
	$1,365,496	922,122

Tuition support is determined by state law and is dependent upon the geographic location of the school and is indexed to the poverty data of the enrolled students. The payment schedule is likewise determined by state law with tuition support payable in equal monthly installments in the calendar year following the start of the school year. Upon revocation or termination of the charter, the payment streams will cease and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3).

(3) Long-Term Debt

Long-term debt at June 30, 2012 and 2011 was comprised of notes payable to the Indiana Common School Fund. The notes require semi-annual payments of principal and interest over a period of 20 years with interest at 4% per annum. The Indiana Common School Fund granted a moratorium on loan payments until July 1, 2013. The notes mature January 1, 2033 and are secured by unpaid tuition support distributions (see Note 2).

(3) Long-Term Debt, Continued

Future maturities of long-term debt are as follows:

Year Ended June 30:	
2013	$ -
2014	69,577
2015	69,577
2016	69,577
2017	69,577
Thereafter	1,113,232
	$1,391,540

(4) Leases

The School leases playground equipment under a capital lease. At June 30, 2012 the cost and accumulated depreciation of the equipment relating to this lease were $32,713 and $9,269, respectively ($32,713 and $2,726 as of June 30, 2011).

Following is a schedule of minimum lease payments under this lease and the present value of net minimum lease payments as of June 30, 2012.

Year Ended June 30:	
2013	$12,930
2014	7,389
2015	7,389
2016	1,847
	29,555
Less: Amount representing interest	(2,782)
	$26,773

(4) Leases, Continued

In 2010, the School executed a seven-year lease on a building used as its school facility under an operating lease agreement with Experimental Learning and Entrepreneurship Foundation, Inc. The lease provides for monthly rental payments which increase annually over the term of the agreement. The School has the option to extend the lease for an additional seven-year term. Under the lease, the School is also responsible for repairs, maintenance, and utilities.

The School also leases office equipment under operating leases which expire in June 2017.

Total lease expense for the years ended June 30, 2012 and 2011 was $423,050 and $470,052, respectively. A schedule of minimum lease obligations as of June 30, 2012 follows:

Year Ended June 30:	
2013	$488,295
2014	500,336
2015	512,682
2016	521,665
2017	355,687

(5) Retirement Plan

Retirement benefits for teaching personnel are provided by the Indiana State Teachers' Retirement Fund ("TRF"), which is a multiple-employer defined benefit retirement plan governed by the State of Indiana and administered by the Indiana Public Retirement System Board. Under the plan, the School contributes 7.5% of compensation for teaching faculty to TRF. Substantially all full-time teaching employees are eligible to participate. Retirement plan expense for the years ended June 30, 2012 and 2011 was $84,813 and $58,801, respectively.

(6) Refundable Advances

The School has been awarded grants from the Indiana Department of Education to provide educational instruction. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2012 and 2011, the School had refundable grant advances in excess of expenditures of $24,801 and $26,502, respectively.

(7) Commitments

The School has contracted with Concept Schools, Inc. to provide on-going training and consultation, personnel, recruitment and admissions, and other services. Under the terms of the agreement, the School has agreed to pay an amount equal to 10% of revenues, as defined, for such services. Payments under this agreement were $262,664 and $184,462 for the years ended June 30, 2012 and 2011, respectively. This agreement is renewable annually.

(8) Restricted Net Assets

Temporarily restricted net assets represent resources received from donors that have not been expended for the identified purpose. Temporarily restricted net assets as of June 30, 2012 and 2011 were available for purchase of educational materials and equipment.

(9) Risks and Uncertainties

The School provides education services to families residing in Marion and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2012, substantially all of the accounts receivable balance was due from the State of Indiana. In addition, deposits are maintained at PNC Bank and frequently exceed the FDIC insurance limit.

(10) Functional Expense Reporting

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and services benefited. Following is a summary of expenses comprising each program and service for the years ended June 30, 2012 and 2011:

	2012		
	Educational Instruction	Education Support	Admini-strative
Salaries and wages	$1,212,796	48,222	90,963
Employee benefits	296,025	4,388	14,596
Staff development and recruitment	9,792	-	608
Academic services	-	-	262,664
Food service	-	157,512	-
Transportation service	-	272,230	-
Other professional services	89,587	69,201	79,755
Property and textbook rental	1,701	-	-
Classroom, kitchen and office supplies	42,490	14,655	27,138
Occupancy	538,043	-	-
Depreciation	120,234	-	-
Interest	-	-	54,296
Other	36,624	-	59,149
	$2,347,292	566,208	589,169

(10) Functional Expense Reporting, Continued

	2011		
	Educational Instruction	Education Support	Administrative
Salaries and wages	$899,495	42,888	116,672
Employee benefits	191,795	3,440	29,181
Staff development and recruitment	10,484	-	6,028
Academic services	-	-	184,462
Authorizer's oversight fee	-	-	-
Food service	-	121,405	-
Transportation service	-	262,632	-
Other professional services	61,361	50,701	82,851
Property and textbook rental	1,916	-	-
Classroom, kitchen and office supplies	69,384	21,409	27,295
Occupancy	364,653	-	-
Depreciation	83,511	-	-
Interest	-	-	760
Other	8,114	-	42,312
	$1,690,713	502,475	489,561

INDIANA MATH AND SCIENCE ACADEMY - NORTH INDIANAPOLIS, INC.

Schedule of Expenditures of Federal Awards

Years Ended June 30, 2012 and 2011

Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Awards Expended 2012	2011
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		$ 45,337	-
National School Lunch Program	10.555		110,224	112,444
Total for cluster			155,561	112,444
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Grants to Local Educational Agencies	84.010		245,106	139,373
Charter Schools Program	84.282		489,854	302,952
Special Education - Grants to States	84.027		72,846	61,327
Improving Teacher Quality State Grants	84.367		865	-
Total for federal grantor agency			808,671	503,652
Total federal awards expended			$ 964,232	616,096

See accompanying Independent Auditors' Report.
See accompanying notes to this schedule.

Notes to the Schedule of Expenditures of Federal Awards

Years Ended June 30, 2012 and 2011

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Indiana Math and Science Academy – North Indianapolis, Inc. ("the School") under programs of the federal government for the years ended June 30, 2012 and 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets or cash flows of the School.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Indiana Math and Science Academy – North Indianapolis, Inc.

We have audited the financial statements of **Indiana Math and Science Academy – North Indianapolis, Inc.** ("the School") as of and for the years ended June 30, 2012 and 2011 and have issued our report thereon dated January 25, 2013. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the School are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Indianapolis, IN
January 25, 2013

Fitzgerald Isaac LLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors
Indiana Math and Science Academy – North Indianapolis, Inc.

Compliance

We have audited the compliance of **Indiana Math and Science Academy – North Indianapolis, Inc.** ("the School") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the years ended June 30, 2012 and 2011. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2012 and 2011.

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Internal Control Over Compliance

The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Indianapolis, IN
January 25, 2013

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

Schedule of Findings and Questioned Costs

Years Ended June 30, 2012 and 2011

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Noncompliance noted which is material to financial statements:	No

Federal Awards

Internal control over major programs:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	No

Schedule of Findings and Questioned Costs

Years Ended June 30, 2012 and 2011

I. Summary of Auditors' Results, Continued

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Grants to Local Educational Agencies
84.282	Charter Schools Program

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee:	No

II. Financial Statement Findings

No matters were reportable.

III. Federal Award Findings and Questioned Costs

No matters were reportable.

Summary Schedule of Prior Audit Findings

Years Ended June 30, 2012 and 2011

Indiana Math and Science Academy – North Indianapolis, Inc. began operations with the year ended June 30, 2011. As such, the School was not subject to audit for a previous period.

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

Other Reports

Years Ended June 30, 2012 and 2011

The reports presented herein were prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Indiana Math and Science Academy – North Indianapolis, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.