



STATE OF INDIANA
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March 19, 2013

Charter School Board
Indiana Math and Science
Academy –Indianapolis, Inc.
4575 West 38th Street
Indianapolis, IN 46254

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. Pages 3 and 4 contain three audit result and comment. 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 – Indianapolis, 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.

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT

OF

INDIANA MATH AND SCIENCE ACADEMY –
INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

July 1, 2011 to June 30, 2012

Fitzgerald | Isaac LLC
Certified Public Accountants

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

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INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

School Officials

Year Ended June 30, 2012

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kent Millard	07/01/11 – 06/30/12
Director	Guray Taysever	07/01/11 – 06/30/12
Treasurer	Murat Hujaev	07/01/11 – 06/30/12

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

We have audited the financial statements of **Indiana Math and Science Academy – Indianapolis, Inc.** (the “School”) as of and for the year ended June 30, 2012 and have issued our report thereon dated February 4, 2013. 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
February 4, 2013

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2012

Credit Card Policy and Compliance

The School utilizes a credit card with PNC Bank for various purchases, the use of which is addressed in a formal credit card policy. In our audit of credit card payments, we noted that the School makes credit card payments by electronic funds transfer (EFT), which by-passes the cash disbursements process.

The State Board of Accounts will not take exception to the use of credit cards by a charter school provided the following criteria are observed...

6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track expenses to provide the charter school and other administration with timely and accurate accounting information and monitoring of the accounting system.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Payroll Policies and Compliance

We selected the March 15, 2012 payroll period and tested the process for calculating, accumulating and recording payroll expense. Within this sample we noted that salaried personnel do not submit attendance reports nor are time and effort logs maintained for employees who split time between Title I and non-Title I activities.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. Supporting documentation, such as time cards, must show signs of supervisory approval. The organizer must designate an employee to review supporting documentation to ensure payments are accurate and due the employee for services rendered. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments, Continued

Year Ended June 30, 2012

Textbook Rental and School Lunch Reporting

In our audit, we noted the School was unable to produce a record supporting the number of students claimed for textbook reimbursement. Additionally, the School was unable to produce a record supporting the number of free and reduced students claimed for meal reimbursement.

Charter schools must provide accurate information to the Indiana Department of Education pertaining to the number of students that receive 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)

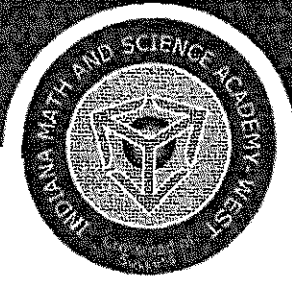
INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2012

The contents of this report were discussed on February 20, 2013 with Mustafa Adam Yazici (Director) and Dilmurod Hajaev (Business Manager). The Official Response has been made a part of this report and may be found on page 6.



February 27, 2013

Indiana Math and Science Academy would like to formally respond to the audit comment noted in your examination results for 2012.

Disbursements, free/reduced textbook, Title I time effort log,

The school will make sure that disbursements regarding credit cards' balances will be paid by check.

Indiana Math and Science Academy will maintain adequate supporting documentation for employees who split time between Title I and non-Title I activities.

IMSA will provide accurate information to Indiana Department of Education for pertaining to the number of students that are eligible for free/reduced textbooks.

The School will produce a record supporting the number of free and reduced students claimed for meal reimbursement.

A handwritten signature in black ink, appearing to read "Mustafa Adam Yazici".

Mustafa Adam Yazici
Director