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December 24, 2014

Charter School Board
Indiana Math and Science Academy-Indianapolis, Inc.
4575 W. 38th Street
Indianapolis, IN 45254

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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 through 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-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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT

OF

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2014

Fitzgerald | **Isaac** LLC
Certified | Public Accountants

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Table of Contents

	<u>Page</u>
School Officials.....	1
Transmittal Letter	2
Audit Results and Comments:	
Cash Management	3
Cash Receipts and Deposits	3
Credit Card Compliance	4
Exit Conference	5
Official Response	6

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kent Millard	07/01/13 – 06/30/14
Director	Mustafa Yazici	07/01/13 – 06/30/14
Treasurer	Murat Hujaev	07/01/13 – 06/30/14

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, 2014 and have issued our report thereon dated November 21, 2014. 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 21, 2014

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

CASH MANAGEMENT

The School has obtained a surety bond covering the School's treasurer. We are aware that other School personnel are also responsible for handling cash, including incoming cash receipts, and authorizing the purchase of goods and services. Those persons are not subject to insurance coverage in the event of theft or dishonesty.

The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements for the school. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond should represent the average amount of cash or receipts on hand during the school year. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

CASH RECEIPTS AND DEPOSITS

The School receives cash for various purposes, primarily student fees. Procedures were in place to process cash collections; however, we noted that in 11 instances out of a sample of 25 transactions, the bank deposit was not made in a timely manner. The delay ranged from 5 to 7 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 – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

CREDIT CARD COMPLIANCE

The School makes certain purchases by use of a credit card in the School's name, and has a formal policy in place that governs the use of the credit card. However, in our testing of five credit card payments, we noted evidence in all five that the School is paying late fees and finance charges on the card balances.

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest, or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

INDIANA MATH AND SCIENCE ACADEMY – INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on December 10, 2014 with Mustafa Arslan (Superintendent) and Halil Dulgeroglu (Business Manager). The Official Response has been made a part of this report and may be found on page 6.



December 10th, 2014

Indiana Math and Science Academy West would like to formally respond to the audit comment noted in your examination results for 2014.

- **Cash Management:** Indiana Math and Science Academy West will have a blanket insurance that covers designated employees who are responsible for handling a majority of the cash, receipts, and authorizing the purchase of goods and services.
- **Cash Receipts and Deposits:** Indiana Math and Science Academy West will make sure that collected money in the office will be deposited in timely manner.
- **Credit Card Compliance:** Indiana Math and Science Academy West will make the credit card payments on time for further transactions.

Murat Atlihan
Director