



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 Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 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 one audit result and comment. Management's response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' 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 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 – NORTH
INDIANAPOLIS, INC.**

MARION COUNTY, INDIANA

July 1, 2010 to June 30, 2012

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

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INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

School Officials

Years Ended June 30, 2012 and June 30, 2011

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kent Millard	07/01/10 – 06/30/12
Superintendent/Principal	John Aytakin	07/01/10 – 06/30/12
Treasurer	Halil Dulgeroglu	07/01/10 – 06/30/12

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. 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
January 25, 2013

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

Years Ended June 30, 2012 and June 30, 2011

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 the following matters which do not comply with the policy.

1. The School makes payments on the credit card by electronic funds transfer (EFT) which by-passes the cash disbursements procedures.
2. Invoice documentation could not be provided in support of all credit card purchases.

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.
7. Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

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)

INDIANA MATH AND SCIENCE ACADEMY – NORTH INDIANAPOLIS, INC.

MARION COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2012 and June 30, 2011

The contents of this report were discussed on February 15, 2013, with John Aytakin (Superintendent/Principal) and Halil Dulgeroglu (Business Manager). The Official Response has been made a part of this report and may be found on page 5.



Indiana Math and Science Academy North would like to formally respond to the audit comment noted in your examination results for 2011 and 2012.

Credit Card Policy and Compliance

1. The school will stop making credit card payments by electronic funds transfer (EFT) and will make the payments via school check. Also, the school started to use new system in order to prevent bypassing the accounting system. Staff members are able to apply for the use of the IMSA North's credit card by filling out a Credit Card Usage Form. Upon approval of usage by the School Director, the business manager will give the credit card to the staff member. After the staff member completes the purchase, the staff member returns the card with the itemized receipts to the business manager at the end of the activity or the next business day.
2. School business manager will properly document all invoices for the credit card purchases.
3. School administration has been providing the Credit Card statements to the board of directors each month and Board of Directors has been approving the financial statements regularly.