

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY**

**COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2013**

**Performed as Special Assistant Auditors
For the Auditor General, State of Illinois**

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2013**

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**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2013**

AGENCY OFFICIALS

President (through 6/30/2013)	Dr. Glenn McGee
President (7/1/2013 – present)	Ms. Catherine Veal
Vice President of Business and Finance (through 9/30/2013)	Mr. Patrick Furlong
Vice President of Human Resources/Chief Operating Officer (7/1/2013 – present)	Ms. Mary Spreitzer
Director of Business and Financial Operations (7/1/2013 – present)	Ms. Kimberly Corrao

BOARD OF TRUSTEES

Chairman (through 7/18/2012)	Dr. Steven Isoye
Chairman (7/18/2012 – present)	Ms. Shelia MB Griffin
1 st Vice Chairman	Dr. Paula Olszewski-Kubilius
2 nd Vice Chairman	Dr. Erin Roche
Ex-Officio Member (through 10/31/2012)	Dr. George Reid
Ex-Officio Member (11/1/2012 – present)	Dr. Harry Berman
Ex-Officio Member	Dr. Christopher Koch
Ex-Officio Member (through 6/30/2013)	Mr. Geoffrey S. Obrzut
Ex-Officio Member (7/1/2013 – present)	Dr. Karen Hunter Anderson
Ex-Officio Member	Dr. James Rydland
Trustee	Dr. Jay Budzik
Trustee (9/17/2012 - present)	Ms. Kathy He
Trustee (7/18/2012 - present)	Dr. Steven Isoye
Trustee (2/14/2013 – present)	Ms. Leslie Juby
Trustee	Dr. Mary Kalantzis
Trustee (through 10/11/2013)	Mr. John H. McEachern, Jr.
Trustee (10/11/2013 – present)	Ms. Carey Mayer
Trustee	Dr. Luis Núñez
Trustee	Dr. Marsha Rosner
Trustee (10/18/2013 – present)	Mr. Eric R. Brown
Trustee (through 7/19/12)	Ms. Jacklyn Naughton

The Academy is located at:

1500 Sullivan Rd.
Aurora, IL 60506-1000



igniting and nurturing
creative, ethical scientific minds
that advance the human condition
December 17, 2013

Borschnack, Pelletier & Co.
Certified Public Accountants
200 E. Court St., Suite 608
Kankakee, IL 60901

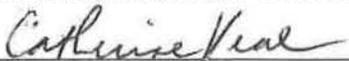
Ladies and Gentlemen:

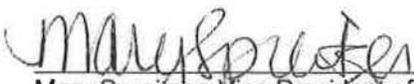
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Mathematics and Science Academy. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Illinois Mathematics and Science Academy's compliance with the following assertions during the year ended June 30, 2013. Based on this evaluation, we assert that during the year ended June 30, 2013, the Illinois Mathematics and Science Academy has materially complied with the assertions below.

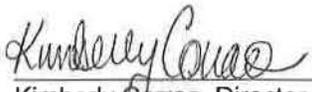
- A. The Illinois Mathematics and Science Academy has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois Mathematics and Science Academy has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois Mathematics and Science Academy has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Illinois Mathematics and Science Academy are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois Mathematics and Science Academy on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Mathematics and Science Academy


Catherine Veal, President


Mary Spreitzer, Vice President of Human Resources /
Chief Operating Officer


Kimberly Corrao, Director of Business and Financial Operations

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2013**

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (STATE COMPLIANCE)

None reported

PRIOR FINDINGS NOT REPEATED

A	9	Failure to comply with the Identity Protection Act	
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**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2013**

EXIT CONFERENCE

The Academy waived holding an exit conference to discuss the results of the State Compliance Examination in a communication dated December 11, 2013.

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland
Auditor General
State of Illinois

And

Board of Trustees
Illinois Mathematics and Science Academy
Aurora, Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Illinois Mathematics and Science Academy's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2013. The management of the State of Illinois, Illinois Mathematics and Science Academy is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Mathematics and Science Academy's compliance based on our examination.

- A. The State of Illinois, Illinois Mathematics and Science Academy has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Illinois Mathematics and Science Academy has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Illinois Mathematics and Science Academy has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Illinois Mathematics and Science Academy are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Illinois Mathematics and Science Academy on behalf of the State or held in trust by the State of Illinois, Illinois Mathematics and Science Academy have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Illinois Mathematics and Science Academy's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Illinois Mathematics and Science Academy's compliance with specified requirements.

In our opinion, the State of Illinois, Illinois Mathematics and Science Academy complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2013.

Internal Control

Management of the State of Illinois, Illinois Mathematics and Science Academy is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Illinois Mathematics and Science Academy's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy'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 the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 1 through 12 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 accompanying supplementary information in Schedules 1 through 12. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 4 through 10, Schedule 12 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Academy management, and the Academy's Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.



December 17, 2013

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Current Findings

There were no findings to be reported during the current examination.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Prior Year Findings Not Repeated

A. **FINDING** - Failure to Comply with the Identity Protection Act

The Illinois Mathematics and Science Academy (Academy) failed to implement the provisions of the Identity Protection Act (Act).

Status - Implemented: Our testing noted that the Academy had created and issued an identity-protection policy during the current examination period. (Finding Code No. 12-1)

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
FOR THE YEAR ENDED JUNE 30, 2013**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Expenditures of Federal Awards
 - Notes to the Schedule of Expenditures of Federal Awards
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Receipts, Disbursements and Fund Balance (Cash Basis)
 - Locally-Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable
- Analysis of Operations (Not examined):
 - Agency Functions and Planning Program (Not examined)
 - Average Number of Employees (Not examined)
 - Emergency Purchases (Not examined)
 - Service Efforts and Accomplishments (Not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 accompanying supplementary information in Schedules 1 through 12. However, the accountants do not express an opinion on the supplementary information. The accountants report also states that they have not applied procedures to the Analysis of Operations section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 1

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Disbursements</u>
U.S. Department of Education, Office of Educational Research and Improvement		84.287C	
Pass Through Program From: Illinois State Board of Education			
Twenty-First Century Community Learning Centers			\$ 29,473
 U.S. Department of Education, Office of Elementary and Secondary Education		 84.367A	
Pass Through Program From: Illinois State Board of Education			
Improving Teacher Quality State Grants			<u>8,130</u>
 <i>Total U. S. Department of Education</i>			<u>37,603</u>
 Total Expenditures of Federal Awards			<u><u>\$ 37,603</u></u>

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Illinois Mathematics and Science Academy for the year ended June 30, 2013 and is presented on the cash basis of accounting.

Note 2 – Description of Grant Programs

The following is a brief description of the grant programs included in the Schedule of Expenditures of Federal Awards:

U.S. Department of Education, Office of Educational Research and Improvement

- Twenty-First Century Community Learning Centers (CFDA #84.287C)
The purpose of this program is to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student standards in core academic subjects, such as reading and math; to offer students a broad array of enrichment activities that complement their regular academic programs; and to offer literacy and other educational services to the families of participating children.

U.S. Department of Education, Office of Elementary and Secondary Education

- Improving Teacher Quality State Grants (CFDA #84.367A)
The purpose of this program is to provide grants to State educational agencies (SEAs), local educational agencies (LEAs), State agencies for higher education (SAHEs) and, through SAHEs, to eligible partnerships in order to increase student academic achievement through such strategies as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013**

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>APPROPRIATED FUNDS:</u>					
<u>EDUCATION ASSISTANCE FUND - 007 (P.A. 97-0729)</u>					
Operational Expenses-Lump Sums & Other Purposes					
Personal Services	\$ 12,542,700	\$ 11,726,916	\$ 815,757	\$ 12,542,673	\$ 27
Retirement	100	100	-	100	-
State Contributions to Social Security, for Medicare	182,000	169,399	12,069	181,468	532
Contractual Services	3,826,100	3,434,481	367,120	3,801,601	24,499
Travel	103,300	79,931	14,347	94,278	9,022
Commodities	320,100	273,576	46,352	319,928	172
Equipment	532,600	364,269	167,409	531,678	922
Electronic Data Processing	34,000	20,637	12,238	32,875	1,125
Telecommunication Services	110,000	98,027	10,208	108,235	1,765
Operation of Automotive Equipment	47,000	41,140	5,414	46,554	446
Total - Fund 007	<u>17,697,900</u>	<u>16,208,476</u>	<u>1,450,914</u>	<u>17,659,390</u>	<u>38,510</u>
<u>INCOME FUND - 768 (P.A. 97-0729)</u>					
Personal Services	2,261,900	1,524,805	71,888	1,596,693	665,207
State Contributions to Social Security, for Medicare	45,900	30,234	1,563	31,797	14,103
Contractual Services	294,700	118,950	18,634	137,584	157,116
Travel	126,700	44,770	5,692	50,462	76,238
Commodities	143,200	46,263	23,571	69,834	73,366
Equipment	65,000	941	-	941	64,059
Telecommunication Services	80,000	18,138	3,475	21,613	58,387
Operation of Automotive Equipment	5,000	5,000	-	5,000	-
Refunds	27,600	10,270	-	10,270	17,330
Total - Fund 768	<u>3,050,000</u>	<u>1,799,371</u>	<u>124,823</u>	<u>1,924,194</u>	<u>1,125,806</u>
TOTAL - ALL APPROPRIATED FUNDS	<u><u>\$ 20,747,900</u></u>	<u><u>\$ 18,007,847</u></u>	<u><u>\$ 1,575,737</u></u>	<u><u>\$ 19,583,584</u></u>	<u><u>\$ 1,164,316</u></u>

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013**

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>NON-APPROPRIATED FUNDS:</u>					
<u>SPECIAL PURPOSES TRUST FUND - 359</u>					
Personal Services	\$ -	\$ 280,126	\$ 36,336	\$ 316,462	\$ -
Retirement	-	28,844	5,498	34,342	-
State Contributions for Social Security, for Medicare	-	4,898	698	5,596	-
Employer Contributions for Group Insurance	-	31,088	-	31,088	-
Contractual Services	-	177,511	68,855	246,366	-
Travel	-	38,851	4,734	43,585	-
Commodities	-	122,898	4,611	127,509	-
Printing	-	3,276	-	3,276	-
Equipment	-	39,007	36,038	75,045	-
Awards and Grants	-	36,660	-	36,660	-
Permanent Improvements	-	36,154	-	36,154	-
Refunds	-	120,761	-	120,761	-
TOTAL - ALL NON-APPROPRIATED FUNDS	\$ -	\$ 920,074	\$ 156,770	\$ 1,076,844	\$ -
GRAND TOTAL - ALL FUNDS	\$ 20,747,900	\$ 18,927,921	\$ 1,732,507	\$ 20,660,428	\$ 1,164,316

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to the records of the State Comptroller.

Note: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE YEARS ENDED JUNE 30,

Schedule 4

	FISCAL YEAR	
	2013	2012
	<u>P.A. 97-0729</u>	<u>P.A. 97-0069</u>
EDUCATION ASSISTANCE FUND - 007		
<u>Appropriations (Net after Transfers)</u>	\$ 17,697,900	\$ 18,216,400
<u>Expenditures</u>		
Personal Services	12,542,673	12,328,514
Retirement	100	-
State Contributions to Social Security, for Medicare	181,468	178,780
Contractual Services	3,801,601	3,794,124
Travel	94,278	116,802
Commodities	319,928	354,121
Equipment	531,678	561,310
Electronic Data Processing	32,875	160,714
Telecommunication Services	108,235	110,345
Operation of Automotive Equipment	46,554	47,000
	<u>17,659,390</u>	<u>17,651,710</u>
Total Expenditures		
<u>Lapsed Balances</u>	<u>\$ 38,510</u>	<u>\$ 564,690</u>
INCOME FUND - 768		
<u>Appropriations (Net after Transfers)</u>	\$ 3,050,000	\$ 3,050,000
<u>Expenditures</u>		
Personal Services	1,596,693	1,559,777
State Contributions to Social Security, for Medicare	31,797	32,389
Contractual Services	137,584	134,767
Travel	50,462	39,404
Commodities	69,834	52,579
Equipment	941	6,521
Telecommunication Services	21,613	1,154
Operation of Automotive Equipment	5,000	-
Refunds	10,270	8,788
	<u>1,924,194</u>	<u>1,835,379</u>
Total Expenditures		
<u>Lapsed Balances</u>	<u>\$ 1,125,806</u>	<u>\$ 1,214,621</u>
GRAND TOTAL, ALL APPROPRIATED FUNDS		
Appropriations (Net after Transfers)	\$ 20,747,900	\$ 21,266,400
Total Expenditures	19,583,584	19,487,089
Lapsed Balances	<u>\$ 1,164,316</u>	<u>\$ 1,779,311</u>

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE YEARS ENDED JUNE 30,

	FISCAL YEAR	
	2013	2012
<u>SPECIAL PURPOSES TRUST FUND - 359</u>		
<u>Non-appropriated fund</u>		
<u>Expenditures</u>		
Personal Services	\$ 316,462	\$ 469,320
Retirement	34,342	53,015
State Contributions for Social Security, for Medicare	5,596	8,370
Employer Contributions for Group Insurance	31,088	69,921
Contractual Services	246,366	398,220
Travel	43,585	54,911
Commodities	127,509	141,474
Printing	3,276	11,303
Equipment	75,045	69,754
Telecommunication services	-	193
Awards and Grants	36,660	44,209
Permanent Improvements	36,154	-
Refunds	120,761	110,022
	<u>1,076,844</u>	<u>1,430,712</u>
Total Expenditures	<u>1,076,844</u>	<u>1,430,712</u>
<u>GRAND TOTAL, ALL NON-APPROPRIATED FUNDS</u>		
Total Expenditures	<u>1,076,844</u>	<u>1,430,712</u>
<u>GRAND TOTAL, ALL FUNDS</u>		
Total Expenditures	<u>\$ 20,660,428</u>	<u>\$ 20,917,801</u>

Note: For fiscal year 2012, expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND FUND
BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Fund Name/Fund Number

OPERATING FUND - 1223

Beginning balance of cash and investments	\$ 3,297,844
Total funds received during the fiscal year	482,744
Total funds disbursed during the fiscal year	<u>619,125</u>
Ending balance of cash and investments	<u><u>\$ 3,161,463</u></u>

STUDENT ACTIVITY FUND - 1366

Beginning balance of cash and investments	\$ 120,004
Total funds received during the fiscal year	475,601
Total funds disbursed during the fiscal year	<u>453,115</u>
Ending balance of cash and investments	<u><u>\$ 142,490</u></u>

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Land and land improvements	\$ 200,646	\$ -	\$ -	\$ -	\$ 200,646
Building and building improvements	49,370,723	40,854	-		49,411,577
Equipment	13,302,992	829,549	(62,314)	5,360	14,075,587
Totals	<u>\$ 62,874,361</u>	<u>\$ 870,403</u>	<u>\$ (62,314)</u>	<u>\$ 5,360</u>	<u>\$ 63,687,810</u>

The property and equipment information was obtained from the Academy's accounting records which were used to prepare the Academy's "Agency Report of State Property" (Form C-15) submitted to the State Comptroller. Such records have been reconciled to the Academy's property control records as of June 30, 2013.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE YEARS ENDED JUNE 30,**

	<u>2013</u>	<u>2012</u>
GENERAL REVENUE FUND - 001		
Third Party Reimbursements	\$ 55	\$ 2,596
Prior Year Refunds	6,653	623
Total 001 Fund Receipts	<u>6,708</u>	<u>3,219</u>
EDUCATION ASSISTANCE FUND		
Third Party Reimbursements	9,480	3,190
Prior Year Refunds	506	-
Total 007 Fund Receipts	<u>9,986</u>	<u>3,190</u>
SPECIAL PURPOSES TRUST FUND - 359		
Private Grant Funds	1,375	2,625
Other Illinois State Agency Grant Funds	117,500	343,000
Federal Grant Funds	8,130	150,000
Private Donations	739,045	948,247
Total 359 Fund Receipts	<u>866,050</u>	<u>1,443,872</u>
INCOME FUND - 768		
Student Activity Fees	1,514,493	1,256,344
Conference Fees	253,724	288,888
Miscellaneous Fees	89,925	84,229
Professional Services	10,750	3,950
Workshop Materials Fees	8,075	16,720
Total 768 Fund Receipts	<u>1,876,967</u>	<u>1,650,131</u>
TOTAL RECEIPTS	<u>\$ 2,759,711</u>	<u>\$ 3,100,412</u>

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

	<u>2013</u>	<u>2012</u>
Receipts per Academy Records	\$ 2,759,711	\$ 3,100,412
Add: Deposits in Transit, Beginning of Year	207,385	121,448
Less: Deposits in Transit, End of Year	(91,857)	(207,385)
Receipts per Comptroller Records	<u>\$ 2,875,239</u>	<u>\$ 3,014,475</u>

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013**

A comparative schedule of significant variations in expenditures of 20% and \$10,000 for the fiscal years ended June 30, 2013 and June 30, 2012 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2013	2012	AMOUNT	PERCENT
<u>Education Assistance Fund-007</u>				
Electronic Data Processing	\$ 32,875	\$ 160,714	\$ (127,839)	(80%)
<u>Income Fund - 768</u>				
Travel	50,462	39,404	11,058	28%
Commodities	69,834	52,579	17,255	33%
Telecommunication Services	21,613	1,154	20,459	1773%
<u>Special Purposes Trust Fund - 359</u>				
Personal Services	316,462	469,320	(152,858)	(33%)
Retirement	34,342	53,015	(18,673)	(35%)
Employer's Contributions for Group Insurance	31,088	69,921	(38,833)	(56%)
Contractual Services	246,366	398,220	(151,854)	(38%)
Travel	43,585	54,911	(11,326)	(21%)

Academy management provided the following explanations for the significant variations identified above.

Education Assistance Fund-007

Electronic Data Processing

The decrease in electronic data processing expenditures was due to a FY12 network upgrade to increase the Academy's network capacity and improve the performance of its virtual environment. The upgrade work was not repeated in FY13.

Income Fund – 768

Travel

The increase in travel expenditures was due to an increase in statewide travel by the Academy's Statewide Student Initiative program which offers statewide programming for students in the areas of Science, Technology, Engineering and Mathematics (STEM) literacy, 21st Century Skills, and Scientific Inquiry.

Commodities

The increase in commodities expenditures was due to expansion of the IMSA Fusion program from FY12 to FY13. The increase was also due to a shift in commodities expenditures related to the Academy's Statewide Student Initiative program from the Education Assistance Fund and Special Purposes Trust Fund to the IMSA Income Fund.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013**

Income Fund – 768

Telecommunication Services

The increase in telecommunications expenditures was due to a decrease in the Academy's Education Assistance Fund telecommunications appropriation. Some FY13 expenditures shifted to the IMSA Income Fund.

Special Purposes Trust Fund – 359

Personal Services

The decrease in personal services expenditures was due to the conclusion in FY12 of several grants for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Retirement

The decrease in retirement expenditures was due to the conclusion in FY12 of several grants for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Employer's Contribution for Insurance

The decrease in the employer's contribution for insurance was due to the conclusion in FY12 of several grants for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Contractual Services

The decrease in contractual services expenditures was due to the conclusion in FY12 of several grants for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Travel

The decrease in travel expenditures was due to the conclusion in FY12 of several grants for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2013**

The Comparative Schedule of Cash Receipts on page 19 documents the revenue generating activities for fiscal years 2012 and 2013.

Significant variations in receipts are considered to be those varying between years by more than 20% and amounting to \$20,000 or more. Academy management provided the following explanations for the significant variations in receipts.

Special Purposes Trust Fund – 359

Other Illinois State Agency Grant Funds

The decrease was due to the conclusion in fiscal year 2012 and nonrenewal of multiple grants from the Department of Commerce and Economic Opportunity, Illinois Department of Transportation and the State Board of Education for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Federal Grant Funds

The decrease was due to the conclusion in fiscal year 2012 and nonrenewal of a grant from the U.S. Department of Education for the Academy's Problem Based Learning program to deliver programs for the Illinois Innovation Talent Project.

Private Donations

The decrease was due to the conclusion in fiscal year 2012 of private grants supporting the Academy's outreach programs, promise programs and energy center.

Income Fund – 768

Student Activity Fees

The increase is due to growth in registration for the Academy's statewide student summer programs as well as rate increases associated with the Academy's residential program.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE YEAR ENDED JUNE 30, 2013**

Our testing of lapse period expenditures for the fiscal year ended June 30, 2013 disclosed the following appropriation line items with significant (20% and \$10,000 or more) lapse period expenditures, as shown below:

	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
<u>Education Assistance Fund – 007</u>			
Equipment	\$ 531,678	\$ 167,409	31%
Electronic Data Processing	32,875	12,238	37%
<u>Income Fund - 768</u>			
Commodities	69,834	23,571	34%
<u>Special Purposes Trust Fund – 359</u>			
Contractual Services	246,366	68,855	28%
Equipment	75,045	36,038	48%

Academy management provided the following explanations for the significant lapse period expenditures identified above.

Education Assistance Fund – 007

Equipment

Lapse period expenditures included classroom and residential hall furniture, household equipment, instructional equipment, and computer network equipment purchased at the conclusion of the academic school year.

Electronic Data Processing

Lapse period expenditures included network computing equipment purchased at the conclusion of the academic school year to scale network performance and reliability.

Income Fund – 768

Commodities

Lapse period expenditures include instructional materials and supplies for delivery of summer statewide student and educator programs.

Special Purposes Trust Fund – 359

Contractual Services

Lapse period expenditures included program evaluation payments for the Academy's Coolhub.IMSA collaboration program, and other services for the Academy's delivery of summer statewide student and educator programs funded by private and state grant dollars.

Equipment

Lapse period expenditures included training materials and educational equipment for the IMSA Energy Center funded by private grant dollars.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30,**

Schedule 12

DESCRIPTION OF ACCOUNTS RECEIVABLE	2013	2012
Student Fees-Other	\$ 219	\$ 310
Student Fees	427	1,480
Building Rental	5,427	10,825
Private Organization Program Registration Fees	6,757	58,334
Miscellaneous Vendor Refunds	-	11,413
	<hr/>	<hr/>
Total Accounts Receivable	<u>\$ 12,830</u>	<u>\$ 82,362</u>

The Academy turns delinquent accounts over to a collection agency. The entire receivable balance is considered collectible and no allowance for doubtful accounts was reported.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013
(Not Examined)**

The Illinois Mathematics and Science Academy (Academy) is located at 1500 Sullivan Road, Aurora, Illinois 60506-1000. During Fiscal Year 2013, the senior administration consisted of:

- Dr. Glenn McGee, President (retired June 30, 2013)
- Diana Sharp, Chief Academic Officer/Principal
- Patrick Furlong, Vice President for Business and Finance/Chief Financial Officer/Treasurer to the Board of Trustees
- Catherine Veal, Vice President Strategy and Advancement/Secretary to the Board of Trustees
- Mary Spreitzer – Vice President for Human Resources
- Michelle Kolar – Executive Director, Professional Field Services

Functions

The Academy was established in 1985 as a result of action by the State Legislature (105 ILCS 305). The internationally recognized Academy develops creative, ethical leaders in science, technology, engineering and mathematics. As a teaching and learning laboratory created by the State of Illinois, the Academy enrolls academically talented Illinois students (grades 10-12) in its advanced, residential college preparatory program, and it serves thousands of educators and students in Illinois and beyond through innovative instructional programs that foster imagination and inquiry. The Academy also advances education through research, groundbreaking ventures and strategic partnerships.

Background

The Academy's legislative mandate is to "provide excellence in mathematics and science education in order to nourish an informed citizenry, assure technological skills for the work force, and assist in the preparation of professionals to serve the interests of Illinois in such fields as engineering, research, teaching, and computer technology". The Academy serves as a catalyst and laboratory for the advancement of teaching. The primary role of the Academy is to offer a uniquely challenging education for students talented in the areas of mathematics and science. Both high school and college levels of instruction are authorized along with "other programs deemed necessary to assure the elements of a strong general education required of creative scientists". The Academy's second legislative charge is to stimulate further excellence for all Illinois schools in mathematics and science. By legislative act, the Academy's location in the Fox River Valley was established in close proximity to the national science laboratories based in Illinois.

Students who have completed the equivalent of the 9th grade are admitted to the Academy by competitive examination. Minimal fees established by the Academy's Board are charged. Budget proposals for State Appropriations are submitted to the Illinois Board of Higher Education for each fiscal year.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013
(Not Examined)

The Academy is governed by a 17 member Board of Trustees consisting of 13 appointed voting members and 4 positional non-voting members. The members, specified in the Illinois Mathematics and Science Academy Law (105 ILCS 305/3), include:

- Three representatives of the scientific community in Illinois, appointed by the Governor.
- Three representatives of the Illinois private industrial sector, appointed by the Governor.
- Two representatives of the general public at large, appointed by the Governor.
- Two representatives of Higher Education, one of whom must be a Dean of Education, appointed by the Executive Director of the Illinois Board of Higher Education.
- Three representatives of Secondary Education, one of whom must be a mathematics or science teacher, appointed by the State Superintendent of Education.
- Four ex-officio nonvoting members, the State Superintendent of Education, the Executive Director of the Illinois Community College Board, the Executive Director of the Board of Higher Education, and the Superintendent of Schools in the school district in which the Academy is located.

Board members serve a 6-year term. A chair is elected from among the members for a 2-year term.

The Board is authorized to:

- Accept donations, bequests, or other forms of financial assistance from any public or private person or agency.
- Purchase equipment and make improvements to facilities.
- Adopt rules, regulations and policies for the conduct of the business of the Board.
- Award certificates and issue diplomas for successful completion of programs.
- Select a Director who shall be the chief administrative officer of the Academy and who shall administer the rules, regulations and policies adopted by the Board. The Director is the chief administrative officer of the Board, responsible for all administrative functions, duties and needs of the Board.
- Determine faculty and staff positions necessary for the efficient operation and select personnel for such positions.
- Prepare and adopt an annual budget.
- Enter into contracts and agreements.
- Perform such other functions as are necessary.
- Delegate to the Director such administrative powers as deemed appropriate.
- Lease or purchase real and personal property, subject to provisions of State Law.
- Establish criteria for eligibility of applicants for enrollment.
- Determine subjects and extracurricular activities to be offered.
- Pay salaries and expenses out of funds appropriated or otherwise made available.
- Exercise budgetary responsibility.
- Prescribe and select free schoolbooks provided by funding from the General Assembly.
- Adopt programs of study and rules, bylaws, and regulations for the conduct of students and for the government of the school and programs.
- Employ such personnel as may be needed, establish policies governing their employment and dismissal, and fix the amount of their compensation.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013
(Not Examined)**

The Board of Trustees meets at least 6 times a year. Day-to-day operations are directed under an administrative organization structure adopted by the President. The organizational structure consists of senior administrators as listed above. Each senior administrator has additional administrative leadership positions reporting to him/her. Authority for administering budget expenditures and staff relations has been delegated to the various appropriate organizational levels.

The Academy relies on the Board of Higher Education, legal counsel, and other key contacts to stay informed of law and regulation changes applicable to its activities. Representatives from the Academy attend meetings at the Board of Higher Education in order to receive information pertinent to the Academy's activities.

Planning

The IMSA Board of Trustees approved the current strategic plan in its May 2007 meeting and completed the plan in January 2008. In February 2009 and June 2009 the planning team met to review progress, reexamine internal and external factors, revise portions of the plan, and incorporate new or updated objectives and strategies, or delete those accomplished or no longer relevant. The final, updated Strategic Plan was approved by IMSA's Board of Trustees on July 21, 2009. The Academy continued to follow this plan during Fiscal Year 2013. However, the Board expects the development of a new strategic plan will take place once a new President is hired in Fiscal Year 2014.

The mission statement is as follows:

The mission of the Illinois Mathematics and Science Academy®, the world's leading teaching and learning laboratory for imagination and inquiry, is to ignite and nurture creative, ethical scientific minds that advance the human condition, through a system distinguished by profound questions, collaborative relationships, personalized experiential learning, global networking, generative use of technology and pioneering outreach.

The Academy's mission statement is supported by the following six strategies:

1. Develop the whole person.
2. Require students to pursue personalized plans of study, based on integrated learning experiences and assessed on the basis of individual mastery.
3. Expand the development, delivery, support and evaluation of IMSA's products and services grounded in imagination and inquiry.
4. Generate scholarship that discovers, integrates, applies and transfers knowledge produced by work.
5. Develop innovation and entrepreneurial talent and capacity.
6. Diversify funding to provide reliable and flexible financing.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
AVERAGE NUMBER OF EMPLOYEES
FOR THE YEARS ENDED JUNE 30,
(Not Examined)**

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Academy records, presents the average number of employees, by function.

Full-Time Equivalent Number of Employees

<u>Funded by State appropriated funds</u>	<u>2013</u>	<u>2012</u>
Administration	11	10
Faculty	62	60
Support leadership	73	74
Instructional program assistants	7	5
Residential life	34	30
Security	9	9
Maintenance/custodians	19	19
Secretaries	39	37
Other*	58	60
	<u>312</u>	<u>304</u>
<u>Funded by non-appropriated funds</u>		
Support leadership	1	5
Secretaries	0	1
Other*	2	4
	<u>3</u>	<u>10</u>
Grand Total	<u>315</u>	<u>314</u>

NOTE:

- * The average number of employees categorized as "Other" is not represented on a FTE basis because it is not readily determinable. "Other" employees include part-time hourly, temporary help and stipends.

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
EMERGENCY PURCHASES
FOR THE YEAR ENDED JUNE 30, 2013
(Not Examined)**

EMERGENCY PURCHASES

The Academy made no emergency purchases during fiscal year 2013:

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(Not Examined)**

The internationally recognized Illinois Mathematics and Science Academy® (IMSA) develops creative, ethical leaders in science, technology, engineering and mathematics. As a teaching and learning laboratory created by the State of Illinois, IMSA enrolls academically talented Illinois students (grades 10-12) in its advanced, residential college preparatory program, and it serves thousands of educators and students in Illinois and beyond through innovative instructional programs that foster imagination and inquiry. IMSA also advances education through research, groundbreaking ventures and strategic partnerships.

- Student Inquiry and Research (SIR) is an integral part of the academic program that enables students to work independently with peers, prominent scholars and world-renowned scientists to pursue their own compelling questions of interest, conduct research or invent products.
- Members of the class of 2013 won gold in the International Mathematics Olympiad, received an outstanding award at the High School Mathematical Contest in Modeling (HiMCM), and captured the IHSA Scholastic Bowl State Championship for the third year in a row. They also received recognition from national and international competitions including the Intel Science Talent Search, Illinois Council of Teachers of Mathematics Contest, Siemens Award Competition, Harvard/MIT Math Tournament, and the National Hispanic Recognition Program.
- IMSA Alumni include co-founders of YouTube, PayPal, Netscape, and Yelp, as well as technology experts at Google, Microsoft, and Facebook. They are also doctors leading breakthroughs in neurological disorders and cancer treatments and scientists at national laboratories. They are leaders in education at Harvard, MIT, the University of Illinois, and other prestigious universities, recent Rhodes scholarship winners and Fulbright grantees.
- Members of IMSA's faculty and staff are models of professional growth and achievement. They include presidential award winners, published authors, and a Nobel Laureate in physics. In academic year 2011-12, all faculty members had advanced degrees, with 51% holding doctorate degrees; and 33% certified by the National Board of Professional Teaching Standards (NBPTS), the highest standard for excellence in the teaching profession.
- IMSA delivers statewide professional development programs to teachers and enrichment programs to students in grades 3-12 at the Aurora campus and throughout Illinois, integrating science, mathematics and engineering with the use of technology. IMSA has three field offices, located in Chicago, the Metro East region, and Rock Island, that offer inquiry-based, hands-on programs to Illinois teachers and students. Since 1997, IMSA has served more than 86,582 students in its student outreach programs and more than 23,344 educators in its educator programs.
- The IMSA Problem-Based Learning Network customizes professional development for K-16 teachers in problem-based learning (PBL), which engages students in a deep understanding of Science, Technology, Engineering, and Math (STEM) concepts through relevant, authentic problems.