

WASHINGTON, PITTMAN & McKEEVER, LLC

*CERTIFIED PUBLIC ACCOUNTANTS AND
MANAGEMENT CONSULTANTS*

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STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY

COMPLIANCE EXAMINATION

FOR THE YEAR ENDED JUNE 30, 2017

**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, 2017

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Financial Statement Report

The Illinois Mathematics and Science Academy’s individual governmental funds financial statement reports for the year ended June 30, 2017, which includes the Independent Auditor’s Report, the financial statements for each individual governmental fund (including the General Fund, IMSA Operating Fund, IMSA Income Fund, and IMSA Special Purposes Trust Fund), and the notes to the financial statements, and the Independent Auditor’s Report on Internal Control on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards have been issued under a separate cover. In addition, the Illinois Mathematics and Science Academy’s fiduciary (agency) funds financial statement report for the year ended June 30, 2017, which includes the Independent Auditor’s Report, the financial statements (including the IMSA Student Activities Fund), and the notes to the financial statements, and the Independent Auditor’s Report on Internal Control on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards have been issued under a separate cover.

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

COMPLIANCE EXAMINATION

FOR THE YEAR ENDED JUNE 30, 2017

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**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2017**

AGENCY OFFICIALS

President	Dr. José M. Torres
Chief Operating Officer	Mr. Lawrence Bergie
Executive Director of Business and Financial Operations	Ms. Kimberly Corrao

BOARD OF TRUSTEES

Chairman (11/15/2017 to present)	Dr. Erin W. Roche
Chairman Pro Tem (5/10/2017 to 11/14/2017)	Dr. Paula Olszewski-Kubilius
Chairman (7/1/2016 to 5/9/2017)	Ms. Sheila MB Griffin
1 st Vice Chairman (5/10/2017 to 11/14/2017)	Dr. Erin W. Roche
1 st Vice Chairman (7/1/2016 to 5/9/2017 and 11/15/2017 to present)	Dr. Paula Olszewski-Kubilius
2 nd Vice Chairmen (7/1/2016 to 5/6/2017)	Dr. Erin W. Roche
Ex-Officio Member (2/16/2017 to present)	Dr. Daniel Cullen
Ex-Officio Member (7/1/2016 to 2/15/2017)	Dr. James Applegate
Ex-Officio Member	Dr. Tony Smith
Ex-Officio Member	Dr. Karen Hunter Anderson
Ex-Officio Member	Dr. Jeffrey Craig
Trustee (9/2/2016 to present)	Ms. Kathleen Clarke
Trustee (7/1/2016 to 9/1/2016)	Dr. Kathy He
Trustee (5/10/2017 to present)	Ms. Shelia MB Griffin
Trustee	Dr. Jerome “ Jay” Budzik
Trustee	Dr. Steven T. Isoye
Trustee	Ms. Leslie N. Juby
Trustee	Dr. Alfred Tatum
Trustee	Ms. Carey L. Mayer
Trustee	Dr. Luis Núñez
Trustee	Dr. Marsha R. Rosner
Trustee	Mr. Eric R. Brown
Trustee	Dr. Herbert Steven Sims

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 15, 2017

Washington, Pittman & McKeever, LLC
Certified Public Accountant
819 S. Wabash, Suite 600
Chicago, IL 60605

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 (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 Academy's compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the year ended June 30, 2017, the Academy has materially complied with the assertions below.

- A. The 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 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 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 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 Academy on behalf of the State or held in trust by the Academy have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

Illinois Mathematics and Science Academy

SIGNED ORIGINAL ON FILE

Dr. José M. Torres, President

SIGNED ORIGINAL ON FILE

Kimberly Corrao, Executive Director of Business and Financial Operations

SIGNED ORIGINAL ON FILE

Lawrence Bergie, Chief Operating Officer

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2017**

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.

ACCOUNTANT'S REPORT

The Independent Accountant's 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>This</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>Report</u>
Repeated findings	0	3
Prior recommendations implemented or not repeated	0	0
	3	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
		FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)	
		The audits did not disclose findings required by <i>Government Auditing Standards</i> .	
		FINDINGS (STATE COMPLIANCE)	
		The examination did not disclose any State compliance findings.	
		Prior Findings Not Repeated	
A	12	Failure to Conduct Performance Evaluations	
B	12	Noncompliance with Illinois Human Rights Act	
C	12	Noncompliance with the State Employment Records Act	

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2017**

EXIT CONFERENCE

The Academy waived holding an exit conference in a communication from Kimberly Corrao, Executive Director of Business and Financial Operations, dated November 28, 2017.

Responses to the recommendations were provided by Kimberly Corrao, Executive Director of Business and Financial Operations, in a communication dated November 28, 2017.

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

Honorable Frank J. Mautino
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, 2017. 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Illinois Mathematics and Science Academy complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Illinois Mathematics and Science Academy complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2017.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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, 2017 in Schedules 1 through 6 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, 2017 accompanying supplementary information in Schedules 1 through 6. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016 accompanying supplementary information in Schedules 2 through 6 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.

SIGNED ORIGINAL ON FILE

WASHINGTON, PITTMAN & MCKEEVER, LLC

**Chicago, Illinois
December 15, 2017**

WASHINGTON, PITTMAN & McKEEVER, LLC

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**INDEPENDENT AUDITOR'S 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**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Illinois Mathematics and Science Academy
Aurora, Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the General Fund, the Special Purposes Trust Fund, the IMSA Income Fund, and the IMSA Operating Fund of the State of Illinois, Illinois Mathematics and Science Academy, as of and for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents, and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Illinois Mathematics and Science Academy's internal control over financial reporting (internal control) of the General Fund, the Special Purposes Trust Fund, the IMSA Income Fund, and the IMSA Operating Fund to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion(s) on the financial statements, 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. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control of the General Fund, the Special Purposes Trust Fund, the IMSA Income Fund, and the IMSA Operating Fund that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Illinois Mathematics and Science Academy's financial statements of the General Fund, the Special Purposes Trust Fund, the IMSA Income Fund, and the IMSA Operating Fund are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Illinois Mathematics and Science Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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WASHINGTON, PITTMAN & MCKEEVER, LLC

**Chicago, Illinois
December 15, 2017**

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**INDEPENDENT AUDITOR'S 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**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Illinois Mathematics and Science Academy
Aurora, Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the IMSA Student Activities Fund – a fiduciary (agency) fund of the State of Illinois, Illinois Mathematics and Science Academy, as of and for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents, and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Illinois Mathematics and Science Academy's internal control over financial reporting (internal control) of the IMSA Student Activities Fund to determine the audit procedures that are appropriate in the circumstances 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 State of Illinois, Illinois Mathematics and Science Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control of the IMSA Student Activities Fund of the State of Illinois, Illinois Mathematics and Science Academy that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Illinois Mathematics and Science Academy's financial statements of the IMSA Student Activities Fund are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Illinois Mathematics and Science Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Illinois Mathematics and Science Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

WASHINGTON, PITTMAN & MCKEEVER, LLC

**Chicago, Illinois
December 15, 2017**

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

PRIOR FINDINGS NOT REPEATED

A. FINDING (Failure to Conduct Performance Evaluations)

During the prior examination, the Illinois Mathematics and Science Academy (Academy) failed to perform annual evaluation/appraisals for 34 of 40 (85%) employees selected for testing.

In the current examination, the Academy significantly improved performance of annual evaluation/appraisals based on or testing. Reduced instances of noncompliance are reported in the immaterial letter. (Finding Code No. 2016-001)

B. FINDING (Noncompliance with Illinois Human Rights Act)

During the prior examination, the Illinois Mathematics and Science Academy (Academy) did not ensure compliance with the Illinois Human Rights Act relating to anti-harassment training.

In the current examination, our testing indicated the Academy complied with the Illinois Human Rights Act relating to anti-harassment training. (Finding Code No. 2016-002)

C. FINDING (Noncompliance with the State Employment Records Act)

During the prior examination, the Illinois Mathematics and Science Academy (Academy) did not have adequate controls to ensure compliance with the State Employment Records Act and the State Records Act relating to the completion and certification of the Agency Workforce Report.

In the current examination, the Academy properly completed and certified the Agency Workforce Report in accordance with the State Employment Records Act and the State Records Act. (Finding Code No. 2016-003)

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2017**

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 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 of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not examined):
 - Agency Functions and Planning Program (Not examined)
 - Analysis of Significant Variations in Expenditures (Not examined)
 - Analysis of Significant Variations in Receipts (Not examined)
 - Analysis of Significant Lapse Period Spending (Not examined)
 - Analysis of Accounts Receivable (Not examined)
 - Budget Impasse Disclosures (Not examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not examined)
 - Interest Costs on Fiscal Year 2016 and 2017 Invoices (Not examined)
 - Average Number of Employees (Not examined)
 - Service Efforts and Accomplishments (Not examined)

The accountant's 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, 2017 accompanying supplementary information in Schedules 1 through 6. However, the accountants do not express an opinion on the supplementary information. The accountant's 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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2017
FOURTEEN MONTHS ENDED AUGUST 31, 2017

	Expenditure Authority (Net After Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>APPROPRIATED FUNDS:</u>					
<u>GENERAL REVENUE FUND - 001 (P.A. 100-0021)</u>					
Lump Sum, Operations	\$ 10,574,000	\$ -	\$ -	\$ -	\$ 10,574,000
Total - Fund 001	10,574,000	-	-	-	10,574,000
<u>EDUCATION ASSISTANCE FUND - 007 (P.A. 99-0524, P.A. 100-0021, and Court-Ordered Expenditures)</u>					
Operational Expenses-Lump Sum & Other Purposes					
Personal Services	\$ 12,479,000	\$ 11,738,428	\$ 740,555	\$ 12,478,983	\$ 17
State Contributions to Social Security, for Medicare	184,700	172,458	10,833	183,291	1,409
Contractual Services	4,137,350	3,570,388	566,130	4,136,518	832
Travel	67,000	53,507	13,446	66,953	47
Commodities	320,000	238,430	81,552	319,982	18
Equipment	394,400	300,367	93,238	393,605	795
Electronic Data Processing	87,750	85,953	1,244	87,197	553
Telecommunication Services	22,000	21,805	76	21,881	119
Operation of Auto Equipment	47,000	40,834	3,619	44,453	2,547
Lump Sums and Other Purposes	2,381,200	-	-	-	2,381,200
Total - Fund 007	20,120,400	16,222,170	1,510,693	17,732,863	2,387,537
<u>INCOME FUND - 768 (P.A. 98-0491)</u>					
Personal Services	\$ 2,261,900	\$ 1,009,556	\$ 49,439	\$ 1,058,995	\$ 1,202,905
State Contributions to Social Security, for Medicare	45,900	21,283	1,604	22,887	23,013
Contractual Services	294,700	95,938	30,563	126,501	168,199
Travel	126,700	20,928	-	20,928	105,772
Commodities	143,200	100,100	30,750	130,850	12,350
Equipment	65,000	42,309	4,123	46,432	18,568
Telecommunication Services	80,000	58,374	3,492	61,866	18,134
Operation of Automotive Equipment	5,000	-	-	-	5,000
Refunds	27,600	1,460	-	1,460	26,140
Total - Fund 768	3,050,000	1,349,948	119,971	1,469,919	1,580,081
TOTAL - ALL APPROPRIATED FUNDS	\$ 33,744,400	\$ 17,572,118	\$ 1,630,664	\$ 19,202,782	\$ 14,541,618

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2017
FOURTEEN MONTHS ENDED AUGUST 31, 2017

	Expenditure Authority (Net After Transfers)	Expenditures Through June 30, 2017	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		\$ 191,767	\$ 41,843	\$ 233,610	
Retirement		20,296	4,456	24,752	
State Contributions for Social Security, for Medicare		3,628	853	4,481	
Employer Contributions for Group Insurance		16,111	-	16,111	
Contractual Services		250,394	40,535	290,929	
Travel		31,442	4,120	35,562	
Commodities		102,323	14,705	117,028	
Printing		2,071	-	2,071	
Equipment		372,161	96,591	468,752	
Electronic Data Processing		-	-	-	
Telecommunication Services		1,992	-	1,992	
Awards and Grants		46,094	34,464	80,558	
Permanent Improvements		887,892	-	887,892	
Refunds		77,122	-	77,122	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>\$ 2,003,293</u>	<u>\$ 237,567</u>	<u>\$ 2,240,860</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 33,744,400</u>	<u>\$ 1,868,231</u>	<u>\$ 21,443,642</u>	<u>\$ 14,541,618</u>

Note 1:

Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Academy records.

Note 2:

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

Note 3:

On July 6, 2017 Public Act 100-0021 was signed into law. This Act appropriated a Lump Sum amount from Fund 001 for operating expenses incurred on or before June 30, 2017. Agency did not have any unfunded operating expenditures to apply against this enacted appropriation.

Note 4:

During Fiscal Year 2017, the Academy operated with a partial appropriation under Public Act 099-0524. 12-month's appropriation for all expenditure categories other than Fund 007 Personnel Services and Medicare were enacted under this Act. Personnel Services and Medicare expenditures were paid under authority of the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475). This ruling ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Academy never received enacted personal services appropriations for Fund 007, the Academy was able to submit vouchers to pay its employees in full during Fiscal Year 2017, at Fiscal Year 2015 expenditure levels.

Note 5:

On July 6, 2017 Public Act 100-0021 was signed into law. This Act appropriated a Lump Sum amount from Fund 007 for operating expenses incurred on or before June 30, 2017. Academy did not have any unfunded operating expenditures to apply against this enacted appropriation.

ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	FISCAL YEAR	
	2017	2016
GENERAL REVENUE FUND - 001		
<u>Appropriations (Net after Transfers)</u>	\$ 10,574,000	\$ -
<u>Expenditures</u>		
Lump Sums, Operations	-	-
Total Expenditures	-	-
<u>Lapsed Balances</u>	\$ 10,574,000	\$ -
	P.A. 99-0524, P.A. 100-0021 & Court Ordered Payroll	P.A.99-0505 & Court Ordered Payroll & P.A. 99-0001
EDUCATION ASSISTANCE FUND - 007		
<u>Appropriations (Net after Transfers)</u>	\$ 20,120,400	\$ 18,030,600
<u>Expenditures</u>		
Personal Services	12,478,983	11,855,084
State Contributions to Social Security, for Medicare	183,291	169,615
Contractual Services	4,136,518	-
Travel	66,953	-
Commodities	319,982	-
Equipment	393,605	-
Electronic Data Processing	87,197	-
Telecommunication Services	21,881	-
Operation of Automotive Equipment	44,453	-
Lump Sums and Other Purposes	-	5,931,195
Total Expenditures	17,732,863	17,955,894
<u>Lapsed Balances</u>	\$ 2,387,537	\$ 74,706

ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	FISCAL YEAR	
	2017	2016
	P.A. 99-0524	P.A. 99-0491
<u>INCOME FUND - 768</u>		
<u>Appropriations (Net after Transfers)</u>	\$ 3,050,000	\$ 3,050,000
<u>Expenditures</u>		
Personal Services	1,058,995	1,174,973
State Contributions to Social Security, for Medicare	22,887	25,022
Contractual Services	126,501	128,739
Travel	20,928	11,844
Commodities	130,850	87,078
Equipment	46,432	3,676
Telecommunication Services	61,866	6,924
Operation of Automotive Equipment	-	3,537
Refunds	1,460	1,021
Total Expenditures	<u>1,469,919</u>	<u>1,442,814</u>
<u>Lapsed Balances</u>	<u>\$ 1,580,081</u>	<u>\$ 1,607,186</u>
 <u>GRAND TOTAL, ALL APPROPRIATED FUNDS</u>		
Appropriations (Net after Transfers)	\$ 33,744,400	\$ 21,080,600
Total Expenditures	<u>19,202,782</u>	<u>19,398,708</u>
<u>Lapsed Balances</u>	<u>\$ 14,541,618</u>	<u>\$ 1,681,892</u>

**ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	FISCAL YEAR	
	2017	2016
<u>SPECIAL PURPOSES TRUST FUND - 359</u>		
<u>Non-appropriated fund</u>		
<u>Expenditures</u>		
Personal Services	\$ 233,610	\$ 177,804
Retirement	24,752	16,684
State Contributions for Social Security, for Medicare	4,481	4,002
Employer Contributions for Group Insurance	16,111	26,028
Contractual Services	290,929	236,739
Travel	35,562	35,813
Commodities	117,028	178,093
Printing	2,071	1,001
Equipment	468,752	43,892
Electronic Data Processing	-	206
Telecommunication services	1,992	-
Awards and Grants	80,558	7,500
Permanent Improvements	887,892	405,228
Refunds	77,122	70,101
	<u>2,240,860</u>	<u>1,203,091</u>
Total Expenditures	<u>2,240,860</u>	<u>1,203,091</u>
<u>GRAND TOTAL, ALL NON-APPROPRIATED FUNDS</u>		
Total Expenditures	<u>2,240,860</u>	<u>1,203,091</u>
<u>GRAND TOTAL, ALL FUNDS</u>		
Total Expenditures	<u>\$ 21,443,642</u>	<u>\$ 20,601,799</u>

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 RECEIPTS, DISBURSEMENTS,
 AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

Schedule 3

<u>Fund Name/Fund Number</u>	<u>2017</u>
OPERATING FUND - 1223	
Beginning balance of cash and investments	\$ 2,874,099
Total funds received during the fiscal year	1,291,117
Total funds disbursed during the fiscal year	<u>576,571</u>
Ending balance of cash and investments	<u>\$ 3,588,645</u>
STUDENT ACTIVITY FUND - 1366	
Beginning balance of cash and investments	\$ 163,571
Total funds received during the fiscal year	435,452
Total funds disbursed during the fiscal year	<u>442,823</u>
Ending balance of cash and investments	<u>\$ 156,200</u>

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net</u> <u>Transfers</u>	<u>Transfers in</u> <u>from CDB</u>	<u>Balance</u> <u>June 30, 2017</u>
Land and land improvements	\$ 200,646	\$ -	\$ -	\$ -	\$ -	\$ 200,646
Building and building improvements	58,641,076	918,155	-	1,760,420	7,505	\$ 61,327,156
Equipment	<u>9,770,956</u>	<u>1,160,287</u>	<u>(282,646)</u>	<u>-</u>	<u>-</u>	<u>\$ 10,648,597</u>
Totals	<u>\$ 68,612,678</u>	<u>\$ 2,078,442</u>	<u>\$ (282,646)</u>	<u>\$ 1,760,420</u>	<u>\$ 7,505</u>	<u>\$ 72,176,399</u>

Note: This schedule was derived from the Academy's property records, which were reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Schedule 5

	2017	2016
GENERAL REVENUE FUND - 001		
Prior Year Refunds	\$ -	\$ 785
Total 001 Fund Receipts	-	785
 EDUCATION ASSISTANCE FUND - 007		
Third Party Reimbursements	3,694	2,585
Prior Year Refunds	274	527
Total 007 Fund Receipts	3,968	3,112
 SPECIAL PURPOSES TRUST FUND - 359		
Private Grant Funds	34,540	-
Other Illinois State Agency Grant Funds	-	210,750
Federal Grant Funds	5,831	12,568
Private Donations	2,165,862	1,629,946
Total 359 Fund Receipts	2,206,233	1,853,264
 INCOME FUND - 768		
Student Activity Fees	2,303,995	1,429,400
Conference Fees	110,000	32,050
Miscellaneous Fees	56,802	60,620
Professional Services	160,000	-
Workshop Materials Fees	905	4,802
Prior Year Refunds	550	189
Total 768 Fund Receipts	2,632,252	1,527,061
 TOTAL RECEIPTS	\$ 4,842,453	\$ 3,384,222

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	2017				
	General Revenue Fund (001)	Education Assistance Fund (007)	Special Purpose Trust Fund (359)	Income Fund (768)	Total
Cash Receipts per Agency	\$ -	\$ 3,968	\$ 2,206,233	\$ 2,632,252	\$ 4,842,453
Adjustments:					
Deposits in Transit, at July 1, 2016	-	-	159,100	39,053	198,153
Deposits in Transit, at June 30, 2017	-	-	-	(35,175)	(35,175)
Totals	<u>-</u>	<u>3,968</u>	<u>2,365,333</u>	<u>2,636,130</u>	<u>5,005,431</u>
Receipts per Comptroller (SB04)	<u>-</u>	<u>3,968</u>	<u>2,365,333</u>	<u>2,636,130</u>	<u>5,005,431</u>
Agency/Comptroller variance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2016				
	General Revenue Fund (001)	Education Assistance Fund (007)	Special Purpose Trust Fund (359)	Income Fund (768)	Total
Cash Receipts per Agency	\$ 785	\$ 3,112	\$ 1,853,264	\$ 1,527,061	\$ 3,384,222
Adjustments:					
Deposits in Transit, at July 1, 2015	-	-	-	38,869	38,869
Deposits in Transit, at June 30, 2016	-	-	(159,100)	(39,053)	(198,153)
Totals	<u>785</u>	<u>3,112</u>	<u>1,694,164</u>	<u>1,526,877</u>	<u>3,224,938</u>
Receipts per Comptroller (SB04)	<u>785</u>	<u>3,112</u>	<u>1,694,164</u>	<u>1,526,877</u>	<u>3,224,938</u>
Agency/Comptroller variance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
ACADEMY FUNCTIONS AND PLANNING PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

The Illinois Mathematics and Science Academy (Academy) is located at 1500 Sullivan Road, Aurora, Illinois 60506-1000. The current president of the Academy is Dr. José M. Torres. The senior administration consists of:

- José M. Torres, Ph.D. – President
- Robert Hernandez, Ed.D. – Interim Principal
- Lawrence Bergie – Chief Operations Officer, Chief Information Officer
- Katie Berger, Ed.D. - Acting Executive Director of Student Affairs
- Traci D. Ellis, J.D. - Executive Director, Human Resources
- Norman "Storm" Robinson III, Ph.D. - Executive Director for 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 meet the following criteria are eligible to apply:

- Current Illinois resident
- Enrolled in an Illinois school at the time of application
- Completed Algebra 1 and a high school equivalent science course

Admission is determined by a competitive process in which all applicants are required to submit a specific set of materials. The process is highly competitive, though there are no minimum scores required to apply. The students who present the strongest combination of credentials are invited to attend. The Academy utilizes an accomplishment-based selection process that incorporates classroom performance, participation in extracurricular activities, and leadership history with more traditional indicators of talent

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
ACADEMY FUNCTIONS AND PLANNING PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

such as test scores and grades. For this reason, students with the highest test scores may not emerge as the strongest applicants in the pool for the purpose of selection. Along with these criteria, geographic and demographic variables are considered to ensure a diverse student population. 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.

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.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
ACADEMY FUNCTIONS AND PLANNING PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

- 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.

The board 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 made up of the Principal, Chief Operating Officer/Chief Information Officer, Executive Director of Student Affairs, Executive Director of Human Resources, and Executive Director for Professional Field Services. 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

On January 21, 2016, IMSA's board approved adoption of the *IMSA Impact and Outcomes* plan which details IMSA's overall impact goal: "By 2022 IMSA is a Recognized Global Leader and Catalyst in Equity and Excellence in STEM Teaching & Learning, Innovation and Entrepreneurship".

This goal will be achieved under three broad pillars: STEM Teaching and Learning, Operational Capacity, and Stakeholder Engagement. The following five priorities have been established:

1. Develop Student STEM Proficiency
2. Develop Educator STEM Proficiency
3. Strengthen Identity as Learning Laboratory
4. Increase Fiscal Sustainability
5. Build IMSA's Network

These five priorities will frame the priorities and work of the Academy's President and senior administrators in Fiscal Year 2018.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

A comparative schedule of significant variations in expenditures of 20% and \$10,000 for the Fiscal Years ended June 30, 2017 and June 30, 2016 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2017	2016	AMOUNT	PERCENT
<u>Education Assistance Fund-007</u>				
Contractual Services	\$4,136,518	\$ -	(4,136,518)	N/A
Travel	66,953	-	(66,953)	N/A
Commodities	319,982	-	(319,982)	N/A
Equipment	393,605	-	(393,605)	N/A
Electronic Data Processing	87,197	-	(87,197)	N/A
Telecommunications	21,881	-	(21,881)	N/A
Operation of Automotive Equipment	44,453	-	(44,453)	N/A
Lump Sums and Other Purposes	-	5,931,195	5,931,195	(100%)
 <u>Income Fund - 768</u>				
Commodities	130,850	87,078	43,772	50%
Equipment	46,432	3,676	42,756	1163%
Telecommunications	61,866	6,924	54,942	794%
 <u>Special Purposes Trust Fund - 359</u>				
Personal Services	233,610	177,804	55,806	31%
Contractual Services	290,929	236,739	54,190	23%
Commodities	117,028	178,093	(61,065)	(34%)
Equipment	468,752	43,892	424,860	968%
Awards and Grants	80,558	7,500	73,058	974%
Permanent Improvements	887,892	405,228	482,664	119%

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

Education Assistance Fund-007

Contractual Services

Travel

Commodities

Equipment

Electronic Data Processing

Telecommunications Services

Operation of Automotive Equipment

Lump Sums and Other Purposes

Overall decrease in expenditures for Education Assistance Fund is \$223,031 (1.2%). Presented accounts represent a decrease of \$860,606. Decrease is due to an overall reduction in total Fiscal Year 2017 appropriation for non-payroll and State Contributions to Social Security, for Medicare expenditures. Public Act 99-0524 appropriated Fiscal Year 2017 Education Assistance Funds by specific expenditure categories. Public Act 099-0502 appropriated Fiscal Year 2016 Education Assistance Funds in a lump sum.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Income Fund – 768

Commodities

The increase in commodities expenditures was due to the purchase of additional consumable supplies for delivery of Academy outreach programs. This increase in expenditures corresponds to an increase in program registrations for outreach programs. The increase in commodities expenditures is also due to a decrease in State grant funding to support the IMSA Fusion program.

Equipment

The increase in equipment expenditures was due to the purchase of equipment for both the Grainger Lab and Grainger Workshop area to support the Academy's Student Inquiry and Research program.

Telecommunications

The increase in telecommunications expenditures was due a shift in funding source for some of the Academy's telecommunications expenditures. In Fiscal Year 2017 the Academy budgeted about 75% of its estimated telecommunications expenditures in the Income Fund with the balance budgeted in the Education Assistance Fund compared to Fiscal Year 2016 where 100% of the Academy's telecommunications expenditures were funded in the Education Assistance Fund.

Special Purposes Trust Fund – 359

Personal Services

The increase in personal services expenditures was due to the opening of the IN2 innovation center. Academy received grants to support staffing and programming for the new space.

Contractual Services

The increase in contractual services expenditures was due to an increase in grants to support Academy outreach programs in Chicago and the IN2 innovation center.

Commodities

The decrease in commodities expenditures was due to a change in how Fusion program schools receive educational kits used for implementing Fusion curriculum. Previously the Academy supplied consumable educational supplies however in Fiscal Year 2017 this responsibility began to shift to each individual school.

Equipment

The increase in equipment expenditures was due to the receipt of private grant funds to support equipment needs in the IN2 innovation center and the Academy's second floor science labs.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Special Purposes Trust Fund – 359 (Continued)

Awards and Grants

The increase in awards and grant expenditures was due to the receipt of private grant funds to support awards for winners of the IN2 Power Pitch competition as well as awards for Chicago school students to participate in Academy student enrichment programs.

Permanent Improvements

The increase in permanent improvement expenditures was due to the receipt of private grant funds to complete construction on the IN2 innovation center and the Academy's A-wing science labs.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

A comparative schedule of significant variations in receipts of 20% and \$20,000 for the Fiscal Years ended June 30, 2017 and June 30, 2016 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2017	2016	AMOUNT	PERCENT
<u>Special Purposes Trust Fund - 359</u>				
Private Donations	\$ 2,165,862	\$ 1,629,946	\$ 535,916	48%
Other Illinois State Agency Grant Fund	-	210,750	(210,750)	(117%)
Private Grant Fund	34,540	-	34,540	N/A
 <u>Income Fund - 768</u>				
Student Activity Fees	2,303,995	1,429,400	874,595	41%
Conference Fees	110,000	32,050	77,950	40%
Professional Services	160,000	-	160,000	N/A

Academy management provided the following explanations for the significant variations in receipts.

Special Purposes Trust Fund – 359

Private Donations

The increase was due to an increase in the receipt of private donations in Fiscal Year 2017 for construction of the IN2 Innovation Center and equipment for A-Wing science labs.

Other Illinois State Agency Grant Funds

The decrease was due to the conclusion of grant from the Department of Commerce and Economic Opportunity for exterior renovations to residential halls.

Private Grant Funds

The increase was due to receipt of grant awards from private organizations not received in prior year.

Income Fund – 768

Student Activity Fees

The increase is related to the Fiscal Year 2016 delay in the passage of the Academy’s appropriation. In the absence of our Fiscal Year 2016 appropriation, a greater portion of student fees were retained in the IMSA Local Fund. This situation was not present in Fiscal Year 2017 and fee deposits to the Income Fund resumed to normal.

Conference Fees

The increase in Fiscal Year 2017 is due to an increase in demand and opportunities for IMSA's Statewide Education Initiatives to provide professional development workshops on Illinois' Next Generation Science Standards.

Professional Services

The increase in Fiscal Year 2017 is due to agreement with the Illinois State Board of Education to develop Fusion curriculum for grades K-4 for Illinois Schools.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Our testing of lapse period expenditures for the Fiscal Year ended June 30, 2017 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>			
Travel	\$ 66,593	\$ 13,446	20%
Commodities	319,982	81,552	25%
Equipment	393,605	93,238	24%
<u>Income Fund - 768</u>			
Contractual Services	126,501	30,563	24%
Commodities	130,850	30,750	24%
<u>Special Purposes Trust Fund – 359</u>			
Equipment	468,752	96,591	21%
Award and Grants	80,558	34,464	43%

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

Education Assistance Fund – 007

Travel

Lapse period expenditures include travel by Academy’s Professional Field Services staff for delivery of Statewide Student and Educator Programs in May and June.

Commodities

Lapse period expenditures include maintenance, custodial and grounds supplies purchased at the end of the Academic school year for to prepare building for summer programs and the upcoming Academic year.

Equipment

Lapse period expenditure includes replacement classroom tables, chairs and gymnasium floor tarp system purchased at the conclusion of the Academic school year.

Income Fund – 768

Contractual Services

Lapse period expenditures include foods services for June 2017 summer statewide student and educator programs as well as for students and parents attending summer orientation.

Commodities

Lapse period expenditures include educational materials and supplies purchased for delivery of the Academy’s summer statewide student and educator programs.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Special Purposes Trust Fund – 359

Equipment

Lapse period expenditures included scientific equipment for use in Academy's newly renovated science labs funded by grant dollars.

Awards and Grants

Lapse period expenditures included award payments to the winners at the Next Launch competition held in IN2 as well as scholarship awards for Chicago students to attend the Chicago Allies Summer Program held in June and funded by grant dollars.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016
(Not examined)

DESCRIPTION OF ACCOUNTS RECEIVABLE	<u>2017</u>	<u>2016</u>
Student Fees-Other	\$ 95	\$ 95
Student Fees	1,678	1,500
Private Organization Program Registration Fees	26,319	94,100
Miscellaneous	<u>30,000</u>	<u>-</u>
 Total Accounts Receivable	 <u>\$ 58,092</u>	 <u>\$ 95,695</u>

The Academy turns delinquent accounts over to the Illinois Comptroller's Offset System. The entire receivable balance is considered collectible and no allowance for doubtful accounts were reported.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
BUDGET IMPASSE DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Academy to pay Fiscal Year 2016 costs using the Academy's Fiscal Year 2017 appropriations for non-payroll expenditures. The Academy did not have any outstanding invoices from Fiscal Year 2016 unpaid after the closure of Fiscal Year 2016 Lapse Period of August 31, 2016. Therefore, the Academy did not use its Fiscal Year 2017 appropriations to pay its Fiscal Year 2016 costs.

In addition, Article 998 of Public Act 100-0021 authorized the Academy to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Academy's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Academy did not have any outstanding invoices from Fiscal Year 2017 unpaid after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017. Therefore, the Academy did not use its Fiscal Year 2017 appropriation to pay its Fiscal Year 2016 costs and does not intend to use either its Fiscal Year 2017 or Fiscal Year 2018 appropriations to pay its Fiscal Year 2016 or Fiscal Year 2017 costs.

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Transactions Involving the Illinois Finance Authority

The Academy and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

During Fiscal Year 2016 and Fiscal Year 2017, none of the Academy's vendors participated in the Vendor Payment Program (VPP).

Vendor Support Initiative Program (VSI)

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Academy lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Academy was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Academy receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
INTEREST COSTS ON FISCAL YEAR 2016 AND 2017 INVOICES
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

Prompt Payment Interest Costs

The Academy calculated prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Agency. The following chart shows the Academy's prompt payment interest incurred related to Fiscal Year 2016 and Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2016 and June 30, 2017, by fund:

PROMPT PAYMENT INTEREST INCURRED
Year Ended June 30, 2016

Fund#	Fund Name	Invoices	Vendors	Dollar Value
007	Education Assistance Fund	563	128	\$ 72,133
768	Income Fund	42	8	1,241
		<u>605</u>	<u>136</u>	<u>\$ 73,374</u>

PROMPT PAYMENT INTEREST INCURRED
Year Ended June 30, 2017

Fund#	Fund Name	Invoices	Vendors	Dollar Value
007	Education Assistance Fund	3	3	\$ 36
768	Income Fund	-	-	0
		<u>3</u>	<u>3</u>	<u>\$ 36</u>

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
AVERAGE NUMBER OF EMPLOYEES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016
(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>2017</u>	<u>2016</u>
Administration	7	7
Faculty	57	56
Support leadership	74	62
Instructional program assistants	4	6
Residential life	34	34
Security	13	10
Maintenance/custodians	19	21
Secretaries	28	33
Other*	37	46
	<u>273</u>	<u>275</u>
<u>Funded by non-appropriated funds</u>		
Support leadership	1	3
Administrative Support	1	0
Other*	4	4
	<u>6</u>	<u>7</u>
Grand Total	<u>279</u>	<u>282</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
ANALYSIS OF OPERATIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)

The internationally recognized Illinois Mathematics and Science Academy® (Academy) develops creative, ethical leaders in science, technology, engineering and mathematics. As a teaching and learning laboratory created by the State of Illinois, 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. In 2017, Academy students completed over 122,307 hours of service learning at organizations like Hesed House, Exodus Tutoring, OrthoKids and at so many more organizations.

- 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. Students partner with distinguished professionals at colleges and universities, research institutions, businesses, and museums including, but not limited to Ball Horticultural, Fermi National Accelerator Laboratory, Loyola University, The Morton Arboretum, Northwestern University, North Central College, Northwestern Medical, University of Chicago, Benedictine University and University of Illinois, Chicago.
- IN2 – the Steve and Jamie Chen Center for Innovation and Inquiry opened in September 2016 and is the first innovation center in a secondary education setting in the state of Illinois. IN2 reinforces Academy’s presence as a global leader and catalyst in equity and excellence in STEM teaching, learning, innovation and entrepreneurship. IN2 is a prime example of leveraging private partnerships with state resources to expand Academy’s programming and impact. IN2 continues to expand its programming and innovation efforts by inviting area businesses into programs that bring real-world start-ups and entrepreneurship opportunities into the Academy. Having start-ups on the Academy’s campus adds a new facet to the Academy’s learning laboratory for students and faculty as well as opening new resources for area start-ups. IN2 also hosts events and programs such as Try-It Tuesday and Funshops for area teens who wish to explore the innovation space.
- Three Academy students were among the top 300 finalists for the Regeneron Science Talent Search. Eleven Academy students were Illinois’ Regional Semi-Finalists. The Academy Chess Team won the IHSA State Chess Tournament and the Academy Scholastic Bowl Team won the IHSA State Scholastic Bowl Tournament. An Academy student was named as a 2016 National Russian Scholar Laureate. Two students qualified as semi-finalists in the USA Biology Olympiad Open Exam. Academy students also received national recognition in German, Russian and Chinese language competitions.
- In the workforce, over 6000 Academy alumni use their scientific minds to creatively solve global issues and advance the human condition. They are doctors leading breakthroughs in neurological disorders and cancer treatments. They are scientists at national laboratories. They are leaders in education at Harvard, MIT, the University of Illinois and other prestigious universities. They are technology experts at Facebook, Google, and Microsoft. They are business leaders and engineers at the Boeing Company, McDonald’s Corporation, Motorola, the New York Stock Exchange, Nissan, Fermi National Accelerator Laboratory, and Shell Oil; investors in tech start-ups and

**STATE OF ILLINOIS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY
ANALYSIS OF OPERATIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(Not examined)**

social ventures; and entrepreneurs and co-founders of Netscape, PayPal, OkCupid, Yelp and YouTube.

- Members of the Academy’s faculty, staff, and founders are models of professional growth and achievement. They include presidential award winners, published authors, and a Nobel Laureate in physics. In academic year 2016-2017, all 53 faculty members had advanced degrees, with 57% holding doctorate degrees; and 25% certified by the National Board of Professional Teaching Standards (NBPTS), the highest standard for excellence in the teaching profession.

- The Academy 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. The Academy has one field office, located in southwestern Illinois, the Metro East region, which offers inquiry-based, hands-on programs to Illinois teachers and students. The Academy provided educator professional development to 630 Fusion program teachers, 202 teachers in Problem-Based-Learning courses, 825 educators in NGSS and 165 educators on Professional Development Day. IMSA Outreach provided unique STEM education experiences for 725 Funshop students, 1,026 Summer@IMSA students, 57 IMSA Allies, and hosted 447 different middle school field trip students.