



CSIS California School Information Services

---

June 18, 2008

Mr. Eugene Selivanov, Executive Director  
Ivy Academia K-12<sup>th</sup> Grade Entrepreneurial Charter School  
P.O. Box 572169  
Tarzana, CA 91357-2169

Dear Executive Director Selivanov:

In October 2007, the Ivy Academia K-12<sup>th</sup> Grade Entrepreneurial Charter School and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide a study of the charter school's fiscal operations. The charter school requested that FCMAT perform the following:

The team shall provide assistance with financial reporting requirements, which may include review of the general ledger, budget development, attendance accounting, internal fiscal controls and cash flow analysis to support the charter school through the ongoing review by the Office of Inspector General's Office, which is anticipated to conclude on or before December 31, 2007. In addition, the team shall provide a management letter, as noted below, regarding its findings after reviewing the financial reports of the charter school, which may include, review of the general ledger, budget development, attendance accounting, internal fiscal controls and cash flow analysis.

FCMAT reviewed charter policies and procedures with a focus on best business practices. The team collaborated closely with management to provide guidance and recommendations on updating existing policies, procurement processes, bid limits, separation of business functions for preschool and the charter school and private and corporate business finances.

The charter school board has established policies and guidelines for spending authority, approval processes and conflict of interest. Adequate internal controls are in place to safeguard assets and provide reasonable separation of duties.

Management has demonstrated its willingness to make any improvements to policies or procedures necessary to fully comply with Government Code and Education Code provisions. Government Code 1090, Conflict of Interest, does not apply to charter schools, however, on September 23, 2005, the charter school established Board Policy 10, which prohibits "Any director, principal officer, or member of a committee with governing board delegated powers" from participating and voting on an issue that may have "a direct or indirect personal financial interest." The board consists of five members and two are principal officers of the charter school, representing less than 50% voting power.

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17<sup>th</sup> Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647  
422 Petaluma Blvd North, Suite. C, Petaluma, CA 94952 • Telephone: 707-775-2850 • Fax: 707-775-2854 • www.fcmat.org  
Administrative Agent: Larry E. Reider - Office of Kern County Superintendent of Schools

FCMAT reviewed financial statements and status, policies and procedures and provided the charter school management with suggestions on improvements that can help the school utilize best business practices. These observations were not the result of an audit of the charter school, and accordingly, FCMAT does not express any opinion in this regard.

This management letter concludes FCMAT's work with the Ivy Academia K-12<sup>th</sup> Grade Entrepreneurial Charter School. If you have any questions or need additional clarification, please contact me so that I may assist you.

Congratulations on the successful approval of your application by the Los Angeles Unified School District, which granted the charter school a five-year extension.

Sincerely,

Deborah L. Deal  
Fiscal Intervention Specialist

C: Joel D. Montero, FCMAT Chief Executive Officer  
Anthony L. Bridges, FCMAT Deputy Executive Officer