

ALGIERS CHARTER SCHOOL ASSOCIATION

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Algiers Charter School Association (a nonprofit corporation), which comprise the statements of financial position as of and , and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Algiers Charter School Association as of and , and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Algiers Charter School Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Algiers Charter School Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Algiers Charter School Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Algiers Charter School Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule “1”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022 on our consideration of Algiers Charter School Association’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Algiers Charter School Association’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Algiers Charter School Association’s internal control over financial reporting and compliance.

December 23, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 2,521,958	\$ 894,078
Grants receivable	4,142,364	2,137,617
Other receivables	7,000	-
Investments	6,147,967	7,833,591
Prepaid expenses	<u>150,161</u>	<u>143,971</u>
 Total current assets	 <u>12,969,450</u>	 <u>11,009,257</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 399,882	 478,333
<u>OTHER ASSETS:</u>		
Deposits	<u>57,526</u>	<u>57,526</u>
 Total other assets	 <u>57,526</u>	 <u>57,526</u>
 Total assets	 <u>\$ 13,426,858</u>	 <u>\$ 11,545,116</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	984,474	854,573
Accrued expenses	235,842	757,871
Current portion of long-term debt	-	1,462,761
Deferred revenue	558,360	335,602
Student activity funds	<u>119,197</u>	<u>124,566</u>
 Total current liabilities	 <u>1,897,873</u>	 <u>3,535,373</u>
<u>NON-CURRENT LIABILITIES:</u>		
Long-term debt, net of current portion	<u>-</u>	<u>1,863,639</u>
 Total non-current liabilities	 <u>-</u>	 <u>1,863,639</u>
 Total liabilities	 <u>1,897,873</u>	 <u>5,399,012</u>
<u>NET ASSETS:</u>		
Without donor restrictions	<u>11,528,985</u>	<u>6,146,104</u>
 Total net assets	 <u>11,528,985</u>	 <u>6,146,104</u>
 Total liabilities and net assets	 <u>\$ 13,426,858</u>	 <u>\$ 11,545,116</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 16,336,251	\$ -	\$ 16,336,251
Federal grants	8,002,401	-	8,002,401
Grants and contributions	217,014	-	217,014
Other state funds	946,769	-	946,769
Investment income	14,376	-	14,376
Other income	398,253	-	398,253
Forgiveness of debt	3,326,400	-	3,326,400
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>29,241,464</u>	 <u>-</u>	 <u>29,241,464</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	10,085,224	-	10,085,224
General non-instructional	6,975,331	-	6,975,331
Special education	2,728,090	-	2,728,090
Special programs	1,952,403	-	1,952,403
Administration	<u>2,117,535</u>	<u>-</u>	<u>2,117,535</u>
 Total expenses	 <u>23,858,583</u>	 <u>-</u>	 <u>23,858,583</u>
 Change in net assets	 5,382,881	 -	 5,382,881
 Net assets, beginning of year	 <u>6,146,104</u>	 <u>-</u>	 <u>6,146,104</u>
 Net assets, end of year	 <u>\$ 11,528,985</u>	 <u>\$ -</u>	 <u>\$ 11,528,985</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 15,828,372	\$ -	15,828,372
Federal grants	4,526,768	-	4,526,768
Grants and contributions	327,128	-	327,128
Other state funds	458,312	-	458,312
Investment income	8,900	-	8,900
Other income	266,708	-	266,708
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>21,416,188</u>	 <u>-</u>	 <u>21,416,188</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	9,357,994	-	9,357,994
General non-instructional	5,629,571	-	5,629,571
Special education	3,194,658	-	3,194,658
Special programs	2,358,331	-	2,358,331
Administration	<u>1,914,939</u>	<u>-</u>	<u>1,914,939</u>
 Total expenses	 <u>22,455,493</u>	 <u>-</u>	 <u>22,455,493</u>
 Change in net assets	 (1,039,305)	 -	 (1,039,305)
 Net assets, beginning of year	 <u>7,185,409</u>	 <u>-</u>	 <u>7,185,409</u>
 Net assets, end of year	 <u>\$ 6,146,104</u>	 <u>\$ -</u>	 <u>\$ 6,146,104</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services					Administration	Total
	General	General	Special	Special			
	Instructional	Non-Instructional	Education	Program			
Salaries	\$ 5,486,600	\$ 2,125,651	\$ 1,923,775	\$ 1,205,162	\$ 967,089	\$ 11,708,277	
Employee benefits	500,728	158,226	139,035	67,733	77,522	943,244	
Retirement	1,362,182	432,868	479,860	298,863	243,780	2,817,553	
Payroll Taxes	109,663	65,554	39,241	19,187	17,162	250,807	
Purchased educational services	306,457	-	77,029	110,770	-	494,256	
Other purchased professional services	275,468	17,805	35,618	30,405	234,237	593,533	
Purchased technical services	-	267,909	-	-	3,832	271,741	
Utilities	-	671,742	-	-	-	671,742	
Repairs and maintenance	1,500	896,210	-	-	-	897,710	
Rentals	43,018	516,369	-	-	27,809	587,196	
Student transportation	6,275	4,725	-	-	-	11,000	
Insurance	-	477,950	-	-	338,623	816,573	
Communications	689,664	32,362	9,229	66,873	95,093	893,221	
Advertising, printing, and binding	7,991	24,467	-	-	8,819	41,277	
Tuition	210,253	-	-	-	-	210,253	
Food service	-	662,626	-	-	-	662,626	
Travel	80,212	10,542	6,136	10,849	27,834	135,573	
Materials and supplies	998,250	83,677	17,734	142,561	57,439	1,299,661	
Dues and fees	3,407	328,599	325	-	17,259	349,590	
Miscellaneous	3,304	157,759	108	-	1,037	162,208	
Depreciation	252	40,290	-	-	-	40,542	
Total expenses	\$ 10,085,224	\$ 6,975,331	\$ 2,728,090	\$ 1,952,403	\$ 2,117,535	\$ 23,858,583	

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Program	Administration	
Salaries	\$ 5,627,417	\$ 1,866,673	\$ 2,239,725	\$ 1,482,904	\$ 924,424	\$ 12,141,143
Employee benefits	512,473	140,503	187,857	104,667	69,217	1,014,717
Retirement	1,397,328	461,130	546,854	367,240	238,654	3,011,206
Payroll Taxes	113,611	44,905	47,771	23,353	15,271	244,911
Purchased educational services	49,575	-	711	84,739	-	135,025
Other purchased professional services	122,854	13,108	109,516	10,700	257,883	514,061
Purchased technical services	2,418	61,317	-	-	612	64,347
Utilities	-	541,817	-	-	-	541,817
Repairs and maintenance	188	842,021	-	-	-	842,209
Rentals	44,608	504,028	9,800	-	9,788	568,224
Student transportation	9,550	-	474	-	-	10,024
Insurance	-	450,774	-	-	272,766	723,540
Communications	335,979	20,830	25,429	44,443	77,748	504,429
Advertising, printing, and binding	3,465	14,684	-	-	1,883	20,032
Tuition	181,921	-	-	-	-	181,921
Food service	-	231,021	-	-	-	231,021
Travel	25,919	3,845	138	-	1,104	31,006
Materials and supplies	913,781	84,503	26,383	240,285	35,855	1,300,807
Dues and fees	13,825	312,547	-	-	8,485	334,857
Miscellaneous	3,082	-	-	-	1,249	4,331
Depreciation	-	35,865	-	-	-	35,865
Total expenses	\$ 9,357,994	\$ 5,629,571	\$ 3,194,658	\$ 2,358,331	\$ 1,914,939	\$ 22,455,493

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 5,382,881	\$ (1,039,305)
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
Depreciation expense	40,542	35,865
Loss on disposition of assets	147,621	-
Forgiveness of PPP loan	(3,326,400)	-
Unrealized (gains)/losses on investments	(14,376)	(8,731)
(Increase) decrease in:		
Grant receivables	(2,004,747)	(976,084)
Other receivables	(7,000)	-
Prepaid expenses	(6,190)	1,893
Increase (decrease) in:		
Accounts payable	129,901	(46,669)
Accrued expenses	(522,029)	65,933
Deferred revenues	222,758	115,616
Student activity funds	<u>(5,369)</u>	<u>(36,181)</u>
Net cash from (used for) operating activities	<u>37,592</u>	<u>(1,887,663)</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(109,712)	(40,831)
Sale of investments	<u>1,700,000</u>	<u>1,130,000</u>
Net cash from investing activities	<u>1,590,288</u>	<u>1,089,169</u>
Net increase (decrease) in cash and cash equivalents	1,627,880	(798,494)
Cash and cash equivalents, beginning of year	<u>894,078</u>	<u>1,692,572</u>
Cash and cash equivalents, end of year	<u>\$ 2,521,958</u>	<u>\$ 894,078</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Algiers Charter School Association (ACSA) was created and incorporated as a non-profit corporation under the laws of the State of Louisiana (the State) in the Fall of 2005. ACSA serves eligible elementary through high school students. On July 1, 2014, The Board of Elementary and Secondary Education (BESE) approved the charter of ACSA to operate Dr. Lord Beaconsfield Landry High School (L.B. Landry) as a Type 5 charter school. On July 1, 2015, BESE approved the Charter of ACSA to operate Martin Berhman Academy of Creative Arts and Sciences (Berhman) as a Type 3B charter school. As of July 1, 2018, both L.B. Landry and Berhman were renewed as Type 3B charters. The L.B. Landry charter was extended for 6 years expiring on June 30, 2024. Berhman was extended for 4 years expiring on June 30, 2022 and has hence been extended for another five years until June 30, 2027.

Basis of Accounting and Financial Reporting Framework

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standard Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, ACSA is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ACSA. ACSA's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ACSA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, ACSA considers all demand deposits and all highly liquid investments with a maturity of three months or less to be cash equivalents.

Receivables

Grants, notes, and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2022 and 2021, no allowance is recorded as management considers all receivables to be fully collectible.

Investments

ACSA invests in LAMP, which is administered by LAMP, Inc. a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs do not stem directly from quoted prices and include data that is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

No Level 2 or Level 3 inputs were used by ACSA during June 30, 2022 and 2021.

Property and Equipment

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. ACSA maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	27 years
Furniture and equipment	5-12 years

Assets acquired with Louisiana Department of Education (LDOE) funds are owned by ACSA while used in the purpose for which it was purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. ACSA reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statements of activities.

Revenues from federal and state grants are recorded when ACSA has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by ACSA, or when otherwise earned under the terms of the grants.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In addition, ACSA receives services donated by parents and community members in carrying out ACSA's mission. The value of these services is not recognized in the accompanying financial statements as they do not meet the criteria for recognition under GAAP.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

ACSA has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2022 and 2021, ACSA believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2019 and later remain subject to examination by the taxing authorities.

New Accounting Pronouncement

During the year ended June 30, 2022, the School adopted FASB ASU No. 2020-07, "*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.*" This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The adoption of this Update did not have a material impact on ACSA's financial statements.

Date of Management Review

Subsequent events have been evaluated through December 23, 2022, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects ACSA's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include deferred revenue and debt service. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end	\$ 12,819,289	\$ 10,865,286
Less those unavailable for general expenditure within one year due to:		
Debt service	<u>(-)</u>	<u>(1,462,761)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,819,289</u>	<u>\$ 9,402,525</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

ACSA's objective is to maintain liquid financials assets without donor restrictions sufficient to cover 60 days of program expenditures. ACSA regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources ACSA has available. In addition, ACSA operates with a budget to monitor sources and uses of funds throughout the year.

(3) SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Non-cash Investing Activities

During the period July 1, 2021 through June 30, 2022, ACSA disposed of fixed assets which had a cost basis of \$1,434,483 and accumulated depreciation of \$1,286,862 for which no proceeds were received which resulted in a loss of \$147,261. The loss on the disposal of fixed assets is recorded in the general non-instructional expenses on the statement of activities.

(4) GRANTS RECEIVABLE

Grants receivables consist of the following at June 30th:

	<u>2022</u>	<u>2021</u>
Due from federal government	\$ 2,692,182	\$ 1,930,582
Due from State of Louisiana	<u>1,450,182</u>	<u>207,035</u>
	<u>\$ 4,142,364</u>	<u>\$ 2,137,617</u>

(5) INVESTMENTS

The fair value of Level 1 investments is determined by reference to quoted prices in active markets for identical assets and is as follows at June 30th:

	<u>2022</u>	<u>2021</u>
LAMP	\$ <u>6,147,967</u>	\$ <u>7,833,591</u>
Total investments	<u>\$ 6,147,967</u>	<u>\$ 7,833,591</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30th:

	<u>2022</u>	<u>2021</u>
Dividends and interest	<u>\$ 14,376</u>	<u>\$ 8,900</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(6) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2022 and 2021:

	2022	2021
Building	\$ 584,009	\$ 607,476
Machinery and equipment	2,206,921	3,508,225
	2,790,930	4,115,701
Less accumulated depreciation	(2,391,048)	(3,637,368)
Total	\$ 399,882	\$ 478,333

Depreciation expense for the years ended June 30, 2022 and 2021 was \$40,542 and \$35,865, respectively.

(7) INTERFUND ACTIVITY

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2022 are as follows:

Due to Pooled Cash	Amount	Due from Pooled Cash	Amount
OPA	\$ 8,995,251	OPA	\$ 1,470,314
Behrman	332,549	Behrman	3,502,133
L.B. Landry	531,571	L.B. Landry	4,886,924
Total	\$ 9,859,371	Total	\$ 9,859,371

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

ACSA's transfers in (out) consist of interfund activity for the OPA allocation as discussed in Note 1 and indirect costs transfers and result from the normal course of ACSA's operations as of June 30, 2022.

Transfer In	Amount	Transfer Out	Amount
OPA	\$ 2,311,170	OPA	\$ -
Behrman	3,220,182	Behrman	4,312,904
L.B. Landry	2,194,073	L.B. Landry	3,412,521
Total	\$ 7,725,425	Total	\$ 7,725,425

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(8) LONG-TERM DEBT

As of April 29, 2020, ACSA was granted a \$3,326,400 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. ACSA is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if ACSA maintains employment levels during its 10-month covered period and uses the funds for certain payroll, rent and utility expenses. To the extent that ACSA is not granted forgiveness, ACSA will be required to repay any remaining balance, plus interest accrued at 1% annum in monthly payments beginning on November 29, 2020. Principal and interest payments will be required through the maturity date of April 29, 2022. The loan was forgiven on September 14, 2021, therefore, ACSA has recognized the \$3,326,400 as forgiveness of debt for the year ended June 30, 2022.

(9) RETIREMENT PLAN

ACSA offers eligible employees the opportunity to participate in the Teachers’ Retirement System of Louisiana (TRSL), a state retirement plan. The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers’ Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123. Pertinent information relative to the plan follows:

Plan Description

All eligible full-time employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers’ Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers’ Regular plan members. Retirement benefits are based upon the employee’s age, their three highest consecutive years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three consecutive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(9) RETIREMENT PLAN (CONTINUED)

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. ACSA is required to contribute at an actuarially determined rate. The rate during fiscal year 2022 and 2021 was 25.2% and 25.8% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. ACSA's contributions for the years ended June 30, 2022 and 2021 were \$2,817,553 and \$3,011,206, respectively.

(10) LEASE COMMITMENTS

As of July 1, 2021, the School entered into an agreement with the Orleans Parish School Board (OPSB) which allows the School to use the facilities and its contents located at 1200 L.B. Landry Ave., New Orleans, Louisiana. The lease is designated for L.B. Landry High School and is scheduled to expire on June 30, 2024.

As of July 1, 2021, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 2832 General Myer Ave, New Orleans, Louisiana. The lease is designated for Martin Berhman Elementary school and is scheduled to expire on June 30, 2027.

All of the aforementioned leases call for payments based on the Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter schools per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

ACSA entered into a lease agreement with the Orleans Parish School Board to use office space at 2401 Westend Parkway, New Orleans. Under the terms of the agreement starting on August 1, 2020, the lease is for \$10,628 a month for 12 months expiring on July 31, 2021. As of August 1, 2021, the lease for the office space has been renewed for an additional year ending on July 31, 2022 for a monthly expense of \$10,767. As of August 1, 2022 the lease for the office space has been renewed for an additional year ending on July 1, 2023. Rent expense was \$129,208 and \$127,544 and for the years ended June 30, 2022 and 2021, respectively.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(10) LEASE COMMITMENTS (CONTINUED)

ACSA entered into three operating lease agreements with Xerox for ten copiers to be starting on July 17, 2019 and expiring on July 17, 2022. Monthly lease payments range from \$627 to \$878. Rent expense was \$51,682 and \$48,302 and for the years ended June 30, 2022 and 2021, respectively. As of July 1, 2022, ACSA entered into a four year agreement with Bell Office Machines for seventeen copiers ranging from \$183 to \$248.

ACSA entered into an operating lease agreement with Ross Bus for 28 passenger buses. Under the terms of the agreement starting on July 1, 2018, the lease is for \$16,900 per bus per year expiring June 30, 2023. As of July 2021, ACSA has amended the lease agreement to reduce the number of buses to 21 per year for a total annual cost of \$354,900 until June 30, 2023. Rent expense was \$363,350 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under the operating leases for the next subsequent years are as follows:

2023	\$	529,150
2024		44,326
2025		44,326
2026		<u>44,326</u>
	\$	<u>662,128</u>

(11) CONCENTRATIONS OF CREDIT RISK

ACSA maintains cash in bank accounts in excess of insured limits periodically. ACSA has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. All of ACSA's cash is maintained in collateralized bank accounts.

(12) GRANT PROGRAM CONTINGENCIES

ACSA participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that ACSA has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2022 and 2021 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and ACSA.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(13) ECONOMIC DEPENDENCY

ACSA receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2022 and 2021 totaled \$16,336,251 and \$15,828,372, respectively. Funding was from various federal grants passed through the State of Louisiana for the years ended June 30, 2022 and 2021 totaled \$8,002,401 and \$4,526,768, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds ACSA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds ACSA will receive in fiscal year 2023 relating to its grant awards.

(14) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, “*Leases*.” This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02, the FASB has issued Update No. 2019-10, “*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*.” Update No. 2019-10 permits entities to apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, and to interim reporting periods within annual reporting periods beginning after December 15, 2021. The FASB further delayed the implementation date by one year through ASU 2020-05 “*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*.” Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. ACSA plans to adopt this Update as applicable by the effective date.

(15) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year’s financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

SUPPLEMENTARY INFORMATION

ALGIERS CHARTER SCHOOL ASSOCIATION
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

	Tale Lockett
Time served	07/01/21 through 06/30/22
Salary	\$ 156,500
Benefits - insurance	7,362
Benefits - retirement	42,500
Total compensation, benefits, and other payments	\$ 206,362

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



**INDEPENDENT AUDITORS' 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***

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

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 Algiers Charter School Association (a non-profit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Algiers Charter School Association's internal control over financial reporting (internal control) as a basis for designing 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 Algiers Charter School Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Algiers Charter School Association'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



To the Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Algiers Charter School Association’s financial statements 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 financial statements. 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 Algiers Charter School Association’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Algiers Charter School Association’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 23, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Algiers Charter School Association's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Algiers Charter School Association's major federal programs for the year ended . Algiers Charter School Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Algiers Charter School Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended .

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Algiers Charter School Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Algiers Charter School Association's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Algiers Charter School Association's federal programs.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Algiers Charter School Association’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Algiers Charter School Association’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Algiers Charter School Association’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Algiers Charter School Association’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Algiers Charter School Association’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on 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 a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 23, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 1,389,332
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 537,162
Special Education - Preschool Grants	84.173	<u>15,069</u>
Total Special Education Cluster		552,231
Career and Technical Education - Basic Grants to States	84.048	12,382
Improving Teacher Quality State Grants	84.367	109,600
Comprehensive Literacy Development	84.371	159,809
Teacher and School Leader Incentive Grants	84.374	253,160
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	1,678,644
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	<u>2,992,810</u>
Total Education Stabilization Fund		<u>4,671,454</u>
 Total U.S. Department of Education		 <u>7,147,968</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	116,293
National School Lunch Program	10.555	1,221,438
Summer Food Service Program for Children	10.559	<u>43,923</u>
Total Child Nutrition Cluster		1,381,654
Child and Adult Care Food Program	10.558	<u>1,843</u>
 Total U.S. Department of Agriculture		 <u>1,383,497</u>
 Total expenditures of federal awards		 <u>\$ 8,531,465</u>

(See Independent Auditors' Report)

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Algiers Charter School Association under programs of the federal government for the year ended June 30, 2022. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Algiers Charter School Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Algiers Charter School Association.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2022.

(3) INDIRECT COST RATE

Algiers Charter School Association has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Algiers Charter School Association.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Algiers Charter School Association expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Education Stabilization Fund (AL Nos. 84.425D and 84.425U) and the Child Nutrition Cluster (AL Nos. 10.553, 10.555, and 10.559).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Algiers Charter School Association was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2022.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2022.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2022.

ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Not applicable

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

Not applicable

III. MANAGEMENT LETTER

Not applicable

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Algiers Charter School Association for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of Algiers Charter School Association is responsible for its performance and statistical data.

Algiers Charter School Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Exceptions: No exceptions were found as a result of applying the procedure.



To the Board of Directors
Algiers Charter School Association

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Exceptions: No exceptions were found as a result of applying the procedure.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Exceptions: No exceptions were found as a result of applying the procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Exceptions: No exceptions were found as a result of applying the procedure.

We were engaged by Algiers Charter School Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

To the Board of Directors
Algiers Charter School Association

We are required to be independent of Algiers Charter School Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of the Algiers Charter School Association, as required by Louisiana Revised Statute 24:514.I, and for the information and use of Algiers Charter School Association, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

December 23, 2022
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2022

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom teacher salaries	\$ 3,814,266	
Other instructional staff salaries	633,427	
Instructional staff employee benefits	1,609,894	
Purchased professional and technical services	1,364,065	
Instructional materials and supplies	519,863	
Instructional equipment	-	
Total teacher and students interaction activities		\$ 7,941,515
Other instructional activities		549,010
Pupil support services	870,958	
Less: Equipment for pupil support services	-	
Net pupil support services		870,958
Instructional staff services	567,955	
Less: Equipment for instructional staff services	-	
Net instructional staff services		567,955
School administration	1,169,948	
Less: equipment for school administration	-	
Net school administration		1,169,948
Total general fund instructional expenditures (total of column B)		<u>\$ 11,099,386</u>
Total General fund equipment expenditures		<u>\$ -</u>
 <u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		<u>\$ -</u>
Total local earnings on investment in real property		<u>\$ -</u>
Total state revenue in lieu of taxes		<u>\$ -</u>
Nonpublic textbook revenue		<u>\$ -</u>
Nonpublic transportation revenue		<u>\$ -</u>

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

ALGIERS CHARTER SCHOOL ASSOCIATION
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2022
AS OF OCTOBER 1, 2021

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary/Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	38%	179	30%	143	27%	128	5%	26
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
ALGIERS CHARTER SCHOOL ASSOCIATION
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
JUNE 30, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2022. The Algiers Charter School Association's management is responsible for those C/C areas identified in the AUPs.

Algiers Charter School Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by Algiers Charter School Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Algiers Charter School Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUP's, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

December 23, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2022

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the procedure. As a charter school, sexual harassment is not applicable.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were found as a result of applying the procedure.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select five additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the procedure.

COLLECTIONS

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

COLLECTIONS (CONTINUED)

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the procedure.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were found as a result of applying the procedure.

7. **Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedure.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than five).

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: No exceptions were found as a result of applying the procedure.

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were found as a result of applying the procedure.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS (CONTINUED)

12. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of applying the procedure.

13. **Procedures:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedure.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

14. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

CONTRACTS

15. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

PAYROLL AND PERSONNEL

16. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

PAYROLL AND PERSONNEL (CONTINUED)

17. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the procedure.

18. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' accumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were found as a result of applying the procedure.

19. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedure.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

ETHICS

20. **Procedures:** Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of applying the procedure.

DEBT SERVICE

21. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable. The Organization did not issue any bonds/notes and other debt instruments during the year ended June 30, 2022 or have any outstanding bonds/notes and other debt instruments outstanding at June 30, 2022.

FRAUD NOTICE

23. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Organization attorney of the parish in which the entity is domiciled.

Results: No exceptions were found as a result of applying the procedure.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

FRAUD NOTICE (CONTINUED)

24. **Procedure:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the procedure.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

25. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

26. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

SEXUAL HARASSMENT (CONTINUED)

28. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: The Organization as a charter school is not subject to the sexual harassment law or training requirements.