

ALGIERS CHARTER SCHOOL ASSOCIATION

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023



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 June 30, 2024 and 2023, 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 present fairly, in all material respects, the financial position of Algiers Charter School Association as of June 30, 2024 and 2023, 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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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 24, 2024 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 24, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 1,795,324	\$ 3,228,666
Grants receivable	2,819,459	3,808,009
Investments	10,797,092	8,699,485
Prepaid expenses	<u>152,438</u>	<u>194,027</u>
 Total current assets	 <u>15,564,313</u>	 <u>15,930,187</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 343,853	 319,610
 <u>OTHER ASSETS:</u>		
Deposits	<u>32,875</u>	<u>57,601</u>
 Total other assets	 <u>32,875</u>	 <u>57,601</u>
 Total assets	 <u><u>\$ 15,941,041</u></u>	 <u><u>\$ 16,307,398</u></u>
 <u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 1,296,794	\$ 1,333,176
Accrued expenses	349,865	465,518
Deferred revenue	247,721	171,887
Student activity funds	<u>123,342</u>	<u>100,461</u>
 Total current liabilities	 <u>2,017,722</u>	 <u>2,071,042</u>
 Total liabilities	 <u>2,017,722</u>	 <u>2,071,042</u>
 <u>NET ASSETS:</u>		
Without donor restrictions	<u>13,923,319</u>	<u>14,236,356</u>
 Total net assets	 <u>13,923,319</u>	 <u>14,236,356</u>
 Total liabilities and net assets	 <u><u>\$ 15,941,041</u></u>	 <u><u>\$ 16,307,398</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/Local Minimum Foundation Program funding	\$ 17,788,444	\$ -	\$ 17,788,444
Federal grants	8,284,245	-	8,284,245
Other state funds	901,463	-	901,463
Grants and contributions	45,307	-	45,307
Investment income	598,666	-	598,666
Other income	<u>585,741</u>	<u>-</u>	<u>585,741</u>
 Total revenue	 <u>28,203,866</u>	 <u>-</u>	 <u>28,203,866</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	10,229,017	-	10,229,017
General non-instructional	10,045,600	-	10,045,600
Special education	3,434,371	-	3,434,371
Special programs	2,434,116	-	2,434,116
Administration	<u>2,373,799</u>	<u>-</u>	<u>2,373,799</u>
 Total expenses	 <u>28,516,903</u>	 <u>-</u>	 <u>28,516,903</u>
 Change in net assets	 (313,037)	 -	 (313,037)
 Net assets, beginning of year	 <u>14,236,356</u>	 <u>-</u>	 <u>14,236,356</u>
 Net assets, end of year	 <u><u>\$ 13,923,319</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 13,923,319</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/Local Minimum Foundation Program funding	\$ 16,890,313	\$ -	\$ 16,890,313
Federal grants	8,296,373	-	8,296,373
Other state funds	566,143	-	566,143
Grants and contributions	1,886,017	-	1,886,017
Investment income	301,518	-	301,518
Other income	1,625,158	-	1,625,158
	<u>29,565,522</u>	<u>-</u>	<u>29,565,522</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	9,476,179	-	9,476,179
General non-instructional	8,377,242	-	8,377,242
Special education	3,674,859	-	3,674,859
Special programs	3,053,738	-	3,053,738
Administration	2,276,133	-	2,276,133
	<u>26,858,151</u>	<u>-</u>	<u>26,858,151</u>
Change in net assets	2,707,371	-	2,707,371
Net assets, beginning of year	11,528,985	-	11,528,985
Net assets, end of year	<u>\$ 14,236,356</u>	<u>\$ -</u>	<u>\$ 14,236,356</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services					
	General	General	Special	Special	Administration	Total
	Instructional	Non-Instructional	Education	Programs		
Salaries	\$ 6,158,865	\$ 2,907,564	\$ 2,296,705	\$ 1,598,778	\$ 913,769	\$ 13,875,681
Employee benefits	449,594	205,919	166,742	81,899	71,158	975,312
Retirement	1,439,934	574,923	504,498	382,344	220,041	3,121,740
Payroll Taxes	122,788	93,356	55,458	27,189	27,326	326,117
Purchased educational services	297,298		-	35,029	-	332,327
Other purchased professional services	405,187	80,150	215,761	35,343	392,318	1,128,759
Purchased technical services	-	515,424			3,792	519,216
Utilities		685,503	14,416			699,919
Repairs and maintenance	7,446	1,316,718	8,095	15,621	-	1,347,880
Rentals	13,773	1,386,852	51,996		30,206	1,482,827
Student transportation	(2,122)	42,538	4,974			45,390
Insurance		591,172	51,544		505,231	1,147,947
Communications	180,466	84,043	26,990	80,242	59,405	431,146
Advertising, printing, and binding	10,187	75,041			1,051	86,279
Tuition	121,801					121,801
Food service		958,840				958,840
Travel	60,791	14,143	8,722	23,226	45,008	151,890
Materials and supplies	949,154	145,275	28,076	154,445	86,097	1,363,047
Dues and fees	10,059	343,408	394		22,157	376,018
Miscellaneous	3,191	(18,502)	-	-	(3,760)	(19,071)
Depreciation	605	43,233	-	-	-	43,838
Total expenses	<u>\$ 10,229,017</u>	<u>\$ 10,045,600</u>	<u>\$ 3,434,371</u>	<u>\$ 2,434,116</u>	<u>\$ 2,373,799</u>	<u>\$ 28,516,903</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services					
	General	General	Special	Special	Administration	Total
	Instructional	Non-Instructional	Education	Programs		
Salaries	\$ 5,278,633	\$ 2,525,959	\$ 2,573,784	\$ 1,696,805	\$ 980,731	\$ 13,055,912
Employee benefits	450,464	177,707	175,677	88,072	77,451	969,371
Retirement	1,296,152	514,679	600,777	424,192	241,958	3,077,758
Payroll taxes	108,916	75,182	59,922	30,981	16,790	291,791
Purchased educational services	408,417	-	198	57,725	-	466,340
Other purchased professional services	183,068	98,357	149,975	265,720	381,483	1,078,603
Purchased technical services	876	370,477	-	-	2,398	373,751
Utilities	-	838,641	9,116	-	-	847,757
Repairs and maintenance	8,964	1,220,214	15,720	-	-	1,244,898
Rentals	36,258	493,378	33,800	-	21,683	585,119
Student transportation	15,434	19,490	5,007	-	-	39,931
Insurance	-	452,778	10,488	-	367,083	830,349
Communications	784,305	34,913	11,816	147,429	66,891	1,045,354
Advertising, printing, and binding	3,903	151,259	-	-	3,385	158,547
Tuition	196,689	-	-	-	-	196,689
Food service	-	830,507	-	-	-	830,507
Travel	62,469	14,578	10,840	4,626	32,932	125,445
Materials and supplies	601,791	169,904	16,973	336,508	49,148	1,174,324
Dues and fees	5,408	340,545	516	-	33,154	379,623
Miscellaneous	30,017	5,783	250	1,680	1,046	38,776
Depreciation	4,415	42,891	-	-	-	47,306
Total expenses	\$ 9,476,179	\$ 8,377,242	\$ 3,674,859	\$ 3,053,738	\$ 2,276,133	\$ 26,858,151

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (313,037)	\$ 2,707,371
Adjustments to reconcile change in net assets to cash and cash equivalents from operating activities:		
Depreciation expense	43,838	47,306
Loss on disposition of assets	-	32,966
(Increase) decrease in:		
Grant receivables	988,550	341,355
Prepaid expenses	41,589	(43,866)
Deposits	24,726	(75)
Increase (decrease) in:		
Accounts payable	(36,382)	348,702
Accrued expenses	(115,653)	229,676
Deferred revenues	75,834	(386,473)
Student activity funds	<u>22,881</u>	<u>(18,736)</u>
Net cash from operating activities	<u>732,346</u>	<u>3,258,226</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(68,081)	-
Purchase of investments	(4,097,607)	(3,551,518)
Sale of investments	<u>2,000,000</u>	<u>1,000,000</u>
Net cash (used for) investing activities	<u>(2,165,688)</u>	<u>(2,551,518)</u>
Net increase (decrease) in cash and cash equivalents	(1,433,342)	706,708
Cash and cash equivalents, beginning of year	<u>3,228,666</u>	<u>2,521,958</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,795,324</u></u>	<u><u>\$ 3,228,666</u></u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(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 charters for both L.B. Landry and Behrman have been extended as of June 30, 2023, with their new expiration dates set for June 30, 2027. In addition, the Office of Performance and Accountability (OPA) provides support to each of the schools in the areas of development, operations, finance, academics, recruitment, and planning. All ACSA schools and the OPA are governed by the ACSA Board of Directors.

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 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, 2024 AND 2023

(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 credit losses 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, 2024 and 2023, 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 statement of activities.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(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, 2024 and 2023.

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, 2024 AND 2023

(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.

Leases

ACSA applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. ACSA defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that ACSA will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

ACSA also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether ACSA can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

ACSA is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. ACSA generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

Leases (Continued)

ACSA determines the incremental borrowing rate of each lease by estimating the credit rating of ACSA at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

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.

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, 2024 and 2023, 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, 2021 and later remain subject to examination by the taxing authorities.

New Accounting Pronouncement

ACSA had adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." The standard introduced a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. ACSA has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on ACSA's financial position, results of operations, or cash flows.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

Date of Management Review

Subsequent events have been evaluated through December 24, 2024, 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, 2024 and 2023, 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>2024</u>	<u>2023</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>15,427,982</u>	\$ <u>15,736,160</u>

ACSA's objective is to maintain liquid financial 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 years ended June 30, 2024 and 2023, ACSA disposed of fixed assets having a cost basis of \$132,598 and \$2,114,458 and accumulated depreciation of \$132,598 and \$2,081,492, respectively, for which no proceeds were received which resulted in losses of \$ - and \$32,966, respectively. The losses on the disposal of fixed assets are 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>2024</u>	<u>2023</u>
Due from federal government	\$ 2,800,603	\$ 3,740,668
Due from State of Louisiana	<u>18,856</u>	<u>67,341</u>
	<u>\$ 2,819,459</u>	<u>\$ 3,808,009</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(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>2024</u>	<u>2023</u>
LAMP	\$ 10,797,092	\$ 8,699,485
Total investments	<u>\$ 10,797,092</u>	<u>\$ 8,699,485</u>

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

	<u>2024</u>	<u>2023</u>
Dividends and interest	<u>\$ 598,666</u>	<u>\$ 301,518</u>

(6) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Building	\$ 525,529	\$ 510,121
Machinery and equipment	<u>87,234</u>	<u>166,353</u>
	612,763	676,474
Less accumulated depreciation	<u>(268,910)</u>	<u>(356,864)</u>
Total	<u>\$ 343,853</u>	<u>\$ 319,610</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$43,838 and \$47,306, 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, 2024 are as follows:

<u>Due to Pooled Cash</u>	<u>Amount</u>	<u>Due from Pooled Cash</u>	<u>Amount</u>
OPA	\$ 12,495,249	OPA	\$ 1,721,716
Behrman	1,213,020	Behrman	8,533,861
L.B. Landry	<u>976,394</u>	L.B. Landry	<u>4,429,086</u>
Total	<u>\$ 14,684,663</u>	Total	<u>\$ 14,684,663</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(7) INTERFUND ACTIVITY (CONTINUED)

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, 2024.

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
OPA	\$ 2,391,089	OPA	\$ -
Behrman	269,913	Behrman	1,573,650
L.B. Landry	<u>2,103,569</u>	L.B. Landry	<u>3,190,921</u>
Total	<u>\$ 4,764,571</u>	Total	<u>\$ 4,764,571</u>

(8) EMPLOYEE RETENTION TAX CREDIT

ACSA has received financial assistance from the U.S. Federal government to guarantee the continuance of employee salaries under the CARES Act. During 2023, ACSA was granted financial assistance amounting to \$1,696,430 under the Employee Retention Credit (ERC) created under the CARES Act. The ERC provides eligible employers with credits per employee based on qualified wages and health insurance. The amount received was accounted for in 2023 as a gain and is presented in grants and contributions on the statement of activities for the year ended June 30, 2023.

(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.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(9) RETIREMENT PLAN (CONTINUED)

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.

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 2024 and 2023 was 25.2% and 24.8% 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, 2024 and 2023 were \$3,121,740 and \$3,077,758, respectively.

(10) LEASE COMMITMENTS

Operating Leases with OPSB

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 and expired on June 30, 2024. The lease was extended for another three years, expiring on June 30, 2027.

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 Berhman 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.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(10) LEASE COMMITMENTS (CONTINUED)

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.

During the year ended June 30, 2023, ACSA entered into a lease agreement with the Orleans Parish School Board to use office space at 2401 Westbend Parkway, New Orleans. Under the terms of the agreement starting on August 1, 2022, the lease was for \$10,753 a month for 11 months expiring on July 1, 2023. Rent expense was \$129,041 for the year ended June 30, 2023.

Operating Leases with Other Third Parties

As of July 1, 2022, ACSA entered into a lease agreement with Loving School Facility, LLC to use the building at 715 Opelousas Avenue, New Orleans. The lease agreement expires on June 30, 2027, and is subject to the same terms as the leases above with OPSB. There was no rent expense for the year ended June 30, 2024 as the costs were reimbursed by OPSB and included in State/Local Minimum Foundation Program funding and offset in general non-instructional expenses.

ACSA entered into a lease agreement with Julien Engineering & Consulting to use office space at 2916 General DeGaulle Drive, Suite 103, New Orleans. Under the terms of the agreement starting on July 1, 2023, the lease is for \$2,000 a month for 3 years expiring on June 30, 2026. The lease has options to extend until June 30, 2028. Rent expense was \$24,000 for the year ended June 30, 2024.

On July 1, 2022, ACSA entered into a four-year agreement with Xerox for copiers ranging from \$183 to \$248. Rent expense was \$65,509 and \$44,326 and for the years ended June 30, 2024 and 2023, respectively.

On July 1, 2021, ACSA entered into an operating lease agreement with Ross Bus for 21, 71-passenger buses, structured on a yearly renewal basis. Under the new terms of the agreement starting on July 1, 2023, the lease is for \$16,900 per bus per year for a total cost of \$354,900 expiring June 30, 2024. As of July 1, 2024, the lease was renewed for an additional year expiring on June 30, 2025. Rent expense was \$329,091 and \$329,091 for the years ended June 30, 2024 and 2023, respectively.

On December 1, 2023, ACSA entered into another lease agreement with Ross Bus for a one, 33-passenger bus for six months. Under the terms of the agreement, the lease is for \$200 per school day for a total of \$20,000 expiring on June 30, 2024.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(10) LEASE COMMITMENTS (CONTINUED)

Operating Leases with Other Third Parties

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

2025	\$	423,226
2026		<u>24,000</u>
	\$	<u>447,226</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, 2024 and 2023 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, 2024 AND 2023

(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, 2024 and 2023 totaled \$17,788,444 and \$16,890,313, respectively. Funding was from various federal grants passed through the State of Louisiana for the years ended June 30, 2024 and 2023 totaled \$8,284,245 and \$8,296,373, respectively. Other state funds for the years ended June 30, 2024 and 2023 totaled \$901,463 and \$566,143, 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. In October of 2024, NOLA-PS notified ACSA and all the charter school operators authorized by the Orleans Parish School Board that NOLA-PS had made an error in forecasting tax revenues that would be distributed to charter schools in fiscal year 2025. NOLA-PS indicated that there could be up to \$36million less to distribute to schools, compared to forecasts that they had provided to schools in March 2024. As of the report date, NOLA-PS officials are working to formalize a plan to mitigate the impact of their forecasting error as well as determining what the exact amount of the shortfall will be. ACSA is presently determining what the potential impact, if any, will be on its operations

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Tale Lockett</u>	<u>Tamara Griffin-Major</u>
	07/01/23	12/01/23
	through	through
Time served	<u>11/30/23</u>	<u>06/30/24</u>
Salary	\$ 155,549	\$ 113,356
Benefits - insurance	34,696	41,774
Benefits - retirement	<u>10,118</u>	<u>8,068</u>
Total compensation, benefits, and other payments	<u>\$ 200,363</u>	<u>\$ 163,198</u>



**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, 2024, 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 24, 2024.

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 24, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants



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 June 30, 2024. 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 June 30, 2024.

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 24, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 1,343,974
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 410,329
COVID-19 Special Education - IDEA 611 ARP	84.027	20,174
Special Education - Preschool Grants	84.173	<u>16,632</u>
Total Special Education Cluster		447,135
Career and Technical Education - Basic Grants to States	84.048	6,071
Supporting Effective Instruction State Grants	84.367	112,491
Comprehensive Literacy Development	84.371	78,660
Student Support and Academic Enrichment Program	84.424	114,681
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	548,733
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	<u>3,534,653</u>
Total Education Stabilization Fund		<u>4,083,386</u>
 Total U.S. Department of Education		 <u>6,186,398</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	204,217
National School Lunch Program	10.555	902,130
Summer Food Service Program for Children	10.559	<u>53,023</u>
Total Child Nutrition Cluster		1,159,370
Child and Adult Care Food Program	10.558	<u>31,092</u>
 Total U.S. Department of Agriculture		 <u>1,190,462</u>
 Total expenditures of federal awards		 <u><u>\$ 7,376,860</u></u>

(See Independent Auditors' Report)

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(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, 2024. 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, 2024.

(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, 2024

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 program tested as major program was the Education Stabilization Fund (AL Nos. 84.425D and 84.425U).
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, 2024.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2024.

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, 2024.

ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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



**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, 2024; 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: Nine employees' educational levels did not agree between the PEP report and the personnel file. Twenty-five employees' years of experience did not agree between the PEP report and the personnel file.

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: Two employees' salary did not agree between the PEP report and the personnel file.

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.

To the Board of Directors
Algiers Charter School Association

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 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 24, 2024
New Orleans, Louisiana

Ericksen 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, 2024

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	<u>Column A</u>	<u>Column B</u>
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 4,367,617	
Other instructional staff salaries	938,725	
Instructional staff employee benefits	1,801,000	
Purchased professional and technical services	1,441,569	
Instructional materials and supplies	211,388	
Instructional equipment	<u>86</u>	
Total teacher and students interaction activities		\$ 8,760,385
Other instructional activities		323,857
Pupil support services	1,269,514	
Less: equipment for pupil support services	<u>-</u>	
Net pupil support services		1,269,514
Instructional staff services	508,774	
Less: equipment for instructional staff services	<u>-</u>	
Net instructional staff services		508,774
School administration	1,496,020	
Less: equipment for school administration	<u>-</u>	
Net school administration		1,496,020
Total General Fund instructional expenditures (total of column B)		<u>\$ 12,358,550</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>

ALGIERS CHARTER SCHOOL ASSOCIATION
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2024
AS OF OCTOBER 1, 2023

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0.70%	2	34.39%	98	4.56%	13	0.00%	-
Elementary/Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Middle/Jr. High	0.70%	2	7.37%	21	5.26%	15	0.00%	-
Middle/Jr. High Activity Classes	0.35%	1	2.81%	8	1.40%	4	0.00%	-
High	21.75%	62	11.23%	32	3.86%	11	1.75%	5
High Activity Classes	2.11%	6	0.35%	1	0.35%	1	1.05%	3
Combination	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Combination Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-

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.



ALGIERS CHARTER SCHOOL ASSOCIATION
CORRECTIVE ACTION PLAN – BESE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

December 24, 2024

Louisiana Legislative Auditor

Algiers Charter School Association respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Up On Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2023 – June 30, 2024

The exceptions from the Agreed-Up On Procedures Report are discussed below:

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

Exceptions: Nine employees' education levels did not agree between the PEP report and the personnel file, two employees' salary did not agree between the PEP report and the personnel file, and twenty-five employees' years of experience did not agree between the PEP report and the personnel file.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Krystina Gooden at (504) 302-7054.

Sincerely,

DocuSigned by:

Krystina Gooden

237A4B087CEE40D...

Signature

Controller

Title

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
ALGIERS CHARTER SCHOOL ASSOCIATION
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
JUNE 30, 2024



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, 2024. 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, 2024. 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 24, 2024
New Orleans, Louisiana


Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

WRITTEN POLICIES AND PROCEDURES

1. 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 (1) preparing, (2) adopting, (3) monitoring, and (4) 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 (1) processing, (2) reviewing, and (3) approving.
 - d) ***Receipts/Collections***, including (1) receiving, (2) recording, and (3) 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, 2024

- 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) ***Prevention of 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 performing the procedures.

BOARD OR FINANCE COMMITTEE

- 2. 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) For those entities reporting on the not-for-profit accounting model, 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.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of performing the procedures.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

BANK RECONCILIATIONS

3. 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 4 additional accounts (or all accounts if less than 5). 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 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting 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 performing the procedures.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. 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 5 deposit sites (or all deposit sites if less than 5).
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. 5 collection locations for 5 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, 2024

- 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.
- 6. 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 in force during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 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 10 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 10 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 performing the procedures.

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

- 8. 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 5).
- 9. 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.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- 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.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. 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 5 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.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements..

Results: No exceptions were found as a result of performing the procedures.

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

12. 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, 2024

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) 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.
14. 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 performing the procedures.

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

15. 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 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.
 - 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).

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- 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 performing the procedures.

CONTRACTS

- 16. 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 5 contracts (or all contracts if less than 5) 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 5 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 performing the procedures.

PAYROLL AND PERSONNEL

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the 5 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).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- 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.
19. 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' cumulate 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.
20. 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 performing the procedures.

ETHICS

21. Using the 5 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 calendar year as required by R.S. 42:1170.
 - 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.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of performing the procedures.

DEBT SERVICE

23. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

24. 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 have bonds/notes outstanding at the end of the year.

FRAUD NOTICE

25. 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 district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. 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 procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

27. Perform the following procedures:
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - 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.

ALGIERS CHARTER SCHOOL ASSOCIATION
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – complete the training, and
 - Hired on or after June 9, 2020 - complete the training within 30 days of initial service or employment.

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

SEXUAL HARASSMENT

30. 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 as required by R.S. 42:343.
31. 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).
32. 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.