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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
ReNEW – Reinventing Education

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ReNEW – Reinventing Education (“ReNEW”) (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 ReNEW’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ReNEW – Reinventing Education as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, ReNEW adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*, in the current year related to the presentation of financial statements. Our opinion is not modified with respect to this matter.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation and other Disbursements Paid to or on behalf of Agency Head on page 17 is presented for purposes of additional analysis and is 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 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 30, 2019, on our consideration of ReNEW'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 ReNEW'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 ReNEW's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2019

**RENEW – REINVENTING EDUCATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<b><u>ASSETS</u></b>	<b>2019</b>	<b>2018</b>
<b><u>CURRENT ASSETS</u></b>			
Cash		\$ 3,598,040	\$ 4,385,170
Grants receivable		3,043,054	2,375,650
Other receivables		126,583	268,435
Prepaid expenses		127,128	421,975
		<hr/>	<hr/>
Total current assets		6,894,805	7,451,230
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>			
		279,984	310,169
		<hr/>	<hr/>
Total assets		<u>\$ 7,174,789</u>	<u>\$ 7,761,399</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable and accrued expenses		<u>\$ 1,163,231</u>	<u>\$ 2,544,309</u>
		<hr/>	<hr/>
Total current liabilities		1,163,231	2,544,309
		<hr/>	<hr/>
Total liabilities		1,163,231	2,544,309
<b><u>NET ASSETS</u></b>			
Without donor restrictions		5,839,695	5,081,792
With donor restrictions		171,863	135,298
		<hr/>	<hr/>
Total net assets		6,011,558	5,217,090
		<hr/>	<hr/>
Total liabilities and net assets		<u>\$ 7,174,789</u>	<u>\$ 7,761,399</u>

The accompanying notes are an integral part of these financial statements.

**RENEW - REINVENTING EDUCATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>Year ended June 30, 2019</u>			<u>Year ended June 30, 2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUES AND SUPPORT</u></b>						
Federal government	\$ 7,904,555	\$ -	\$ 7,904,555	\$ 9,993,159	\$ -	\$ 9,993,159
State and local governments	31,959,581	-	31,959,581	41,016,019	-	41,016,019
Private grants and donations	258,561	140,984	399,545	48,122	283,265	331,387
Other revenue	539,185	-	539,185	462,545	-	462,545
Net assets released from restrictions	104,419	(104,419)	-	198,958	(198,958)	-
<b>Total revenues and other support</b>	<b>40,766,301</b>	<b>36,565</b>	<b>40,802,866</b>	<b>51,718,803</b>	<b>84,307</b>	<b>51,803,110</b>
<b><u>EXPENSES</u></b>						
Program services						
Regular education programs	12,081,612	-	12,081,612	16,958,263	-	16,958,263
Operation and maintenance of plant	6,829,915	-	6,829,915	8,476,190	-	8,476,190
Special education programs	4,590,407	-	4,590,407	5,647,612	-	5,647,612
School administration	3,836,164	-	3,836,164	5,427,725	-	5,427,725
Instructional staff services	3,036,527	-	3,036,527	4,458,924	-	4,458,924
Food service operations	2,049,947	-	2,049,947	2,603,781	-	2,603,781
Pupil support services	3,379,395	-	3,379,395	4,303,902	-	4,303,902
Student activities	1,905,589	-	1,905,589	2,262,254	-	2,262,254
Management and general						
General administration	2,298,842	-	2,298,842	3,408,662	-	3,408,662
<b>Total expenses</b>	<b>40,008,398</b>	<b>-</b>	<b>40,008,398</b>	<b>53,547,313</b>	<b>-</b>	<b>53,547,313</b>
Change in net assets	757,903	36,565	794,468	(1,828,510)	84,307	(1,744,203)
<b><u>NET ASSETS, BEGINNING OF YEAR</u></b>	<b>5,081,792</b>	<b>135,298</b>	<b>5,217,090</b>	<b>6,910,302</b>	<b>50,991</b>	<b>6,961,293</b>
<b><u>NET ASSETS, END OF YEAR</u></b>	<b>\$ 5,839,695</b>	<b>\$ 171,863</b>	<b>\$ 6,011,558</b>	<b>\$ 5,081,792</b>	<b>\$ 135,298</b>	<b>\$ 5,217,090</b>

The accompanying notes are an integral part of these financial statements.

**RENEW - REINVENTING EDUCATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 794,468	\$ (1,744,203)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	91,062	71,276
Changes in operating assets and liabilities:		
Grants receivable	(667,404)	(839,897)
Other receivables	141,852	(244,167)
Prepaid expenses	294,847	(300,974)
Accounts payable and accrued expenses	<u>(1,381,078)</u>	<u>356,698</u>
Net cash used in operating activities	<u>(726,253)</u>	<u>(2,701,267)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchases of property and equipment	<u>(60,877)</u>	<u>(57,578)</u>
Net cash used in investing activities	<u>(60,877)</u>	<u>(57,578)</u>
Net decrease in cash	(787,130)	(2,758,845)
Cash, beginning of year	<u>4,385,170</u>	<u>7,144,015</u>
Cash, end of year	<u>\$ 3,598,040</u>	<u>\$ 4,385,170</u>
<b><u>SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION</u></b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 4,452</u>

The accompanying notes are an integral part of these financial statements.

## RENEW – REINVENTING EDUCATION

### NOTES TO FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies**

##### Organization

ReNEW – Reinventing Education (“ReNEW”), incorporated on June 6, 2009, is an educational institution organized to provide a rigorous, college preparatory education to historically underserved pre-kindergarten through twelfth grade students.

The Board of Elementary and Secondary Education (BESE) approved the granting of two charters to ReNEW effective June 8, 2010 to operate two Type 5 Charter Schools, as defined in LA R.S. 17:3996. ReNEW commenced operations with the 2010-2011 school year. During the year ended June 30, 2012, ReNEW opened three additional schools. During the year ended June 30, 2014, ReNEW opened one additional school. ReNEW opened an additional school for the year ended June 30, 2016 utilizing the charter approved by BESE in the fall of 2011. On July 1, 2015, the Louisiana Department of Education approved the merger of ReNEW Accelerated High School #1 and ReNEW Accelerated High School #2 into a single school, ReNEW Accelerated High School #2. During the year ended June 30, 2019, ReNEW operated 4 schools: ReNEW SciTech Academy at Laurel Elementary, ReNEW Accelerated High School #2, ReNEW Dolores T. Aaron Elementary, and ReNEW Schaumburg Elementary.

##### Basis of Presentation

The financial statements of ReNEW have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“GAAP”), which require ReNEW to report information regarding its financial position and activities according to the following net asset classifications:

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 the organization. These net assets may be used at the discretion of ReNEW's management and the board of directors.

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 ReNEW 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## RENEW – REINVENTING EDUCATION

### NOTES TO FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies (continued)**

##### Cash

Cash includes amounts on deposit at local financial institutions.

##### Grants and Other Receivables

Grants and other receivables consist primarily of noninterest-bearing amounts related to federal and state grant reimbursements. ReNEW determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At June 30, 2019 and 2018, management does not have an allowance for doubtful accounts as outstanding amounts are considered collectible.

##### Property and Equipment

The land, building and building improvements used to operate ReNEW were owned by the Orleans Parish School Board (OPSB) for the years ending June 30, 2019 and 2018, and, as such, are recorded on the financial statements of the OPSB. The OPSB also provided ReNEW with furniture and equipment that is also recorded on the PSB's financial statements and not reported by ReNEW. See note 13 for further information.

ReNEW only reports its direct purchases of leasehold improvements, furniture and equipment. ReNEW has adopted the practice of capitalizing all expenditures for depreciable assets where the unit costs exceed \$5,000. Property is recorded at cost or at fair value for donated assets. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of 3 years for furniture and equipment and 5 years for leasehold improvements. Effective July 1, 2018, OPSB (Orleans Parish School Board) owned the land, building, and building improvements.

##### Contributions and Revenue Recognition

Revenue is recognized when earned. Revenues from federal and state grants are recorded when ReNEW has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by ReNEW, or when otherwise earned under the terms of the grants. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

ReNEW records unconditional promises to give that are expected to be collected within one year at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. At June 30, 2019 and 2018, there are no unconditional promises to give. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

## RENEW – REINVENTING EDUCATION

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies (continued)

##### Contributed Services

The value of contributed services is recorded, at fair value, as revenues and support and expense in the period received, provided there is an objective basis for measurement of the value of such goods and services and they are significant, require specialized skills and form an integral part of the ReNEW's efforts. ReNEW did not recognize donated services during the years ended June 30, 2019 and 2018.

In addition, ReNEW receives services donated by parents and community members in carrying out ReNEW's mission. The value of these services is not recognized in the accompanying financial statements as they do not meet the criteria for recognition under GAAP.

##### Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. Note 10 presents a reconciliation of expenses by function to their natural classification. Accordingly, certain costs have been allocated among the programs and services benefited. Salaries and benefits are allocated based on time and effort.

##### Tax Exempt Status

ReNEW is a nonprofit organization exempt from the income taxes under provisions of the Internal Revenue Service Code Sections 501(c)(3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes.

ReNEW applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of applying this approach, ReNEW has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities.

##### Recently Adopted Accounting Standards

As of July 1, 2018, ReNEW adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risks is required. This adoption of ASU 2016-14 had no impact on ReNEW's total net assets.

In November 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU requires presentation of total change in cash, cash equivalents, restricted cash, and restricted cash equivalents for the period in the statement of cash flows. ReNEW adopted this ASU effective for the year ended June 30, 2019.

## **RENEW – REINVENTING EDUCATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Summary of Significant Accounting Policies (continued)**

##### **Recent Accounting Pronouncements**

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU will be effective for ReNEW's year ending June 30, 2020.

The FASB issued ASU 2014-09, *(Topic 606), Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for ReNEW's year ending June 30, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of net assets. This ASU will be effective for ReNEW's year ending June 30, 2022.

ReNEW is currently assessing the impact of these pronouncements on its financial statements.

#### **2. Liquidity and Availability**

ReNEW regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

ReNEW receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding and from various federal grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments.

ReNEW manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments will continue to be met, ensuring the sustainability of ReNEW.

**RENEW – REINVENTING EDUCATION**

**NOTES TO FINANCIAL STATEMENTS**

**2. Liquidity and Availability (continued)**

The table below presents financial assets available for general expenditures within one year at June 30, 2019:

Total assets	\$ 7,174,789
Less: non-financial assets	
Prepaid expenses	(127,128)
Property and equipment, net	<u>(279,984)</u>
Total financial assets	6,767,677
Less: financial asset restrictions	
Net assets with donor restrictions	<u>(171,863)</u>
Financial assets available for general expenditures within one year	<u><u>\$ 6,595,814</u></u>

**3. Grants Receivable**

Grants receivable as of June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Due from federal government	\$ 1,239,182	\$ 2,345,959
Due from State of Louisiana	<u>1,803,872</u>	<u>29,691</u>
	<u><u>\$ 3,043,054</u></u>	<u><u>\$ 2,375,650</u></u>

**4. Property and Equipment**

A summary of property and equipment at June 30 is as follows:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 706,123	\$ 706,123
Leasehold improvements	<u>597,275</u>	<u>536,398</u>
	1,303,398	1,242,521
Less: accumulated depreciation	<u>(1,023,414)</u>	<u>(932,352)</u>
Total property and equipment, net	<u><u>\$ 279,984</u></u>	<u><u>\$ 310,169</u></u>

## RENEW – REINVENTING EDUCATION

### NOTES TO FINANCIAL STATEMENTS

#### 5. Net Assets with Donor Restrictions

A summary of the composition of net assets with donor restrictions at June 30 is as follows:

	<u>2019</u>	<u>2018</u>
Career Pathways	\$ 122,221	\$ 109,544
Staff development	28,142	-
Second Harvest Backpack Program	20,000	20,000
Behaviorial health development	1,500	500
STEM labs	-	5,254
	<u>\$ 171,863</u>	<u>\$ 135,298</u>

#### 6. Line of Credit

ReNEW has a \$1,000,000 uncollateralized line of credit with a financial institution at the prime lending rate of 5.75% at June 30, 2019 and 2018. ReNEW did not have a balance outstanding on the line of credit as of June 30, 2018 and 2019. The line of credit expires on August 1, 2020.

#### 7. Credit Risk Concentration

As of June 30, 2019 and 2018, ReNEW had bank accounts at financial institutions, which at times may exceed federally insured deposit limits. ReNEW has not historically experienced any loss in such accounts and management believes ReNEW is not exposed to any significant credit risk related to the cash in the banks.

#### 8. Contingencies

ReNEW 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 ReNEW 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, 2019 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 ReNEW.

#### 9. Economic Dependency

ReNEW receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding and from various federal grants passed through the State of Louisiana. 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 ReNEW receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of revenue and support ReNEW will receive in fiscal year 2020 from state and federal governments.

**RENEW – REINVENTING EDUCATION**

**NOTES TO FINANCIAL STATEMENTS**

**10. Functional Allocation of Expenses**

Program services represent specifically identified expenses and management’s estimate of expenses that should be allocated to supporting classroom and teaching activities and programs. Management and general services represent specifically identified expenses and management’s estimate of expenses that should be allocated to business management and administration services.

Functional expenses for the year ended June 30, 2019 are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Advertising	\$ 18,113	\$ -	\$ 18,113
Contract services	2,937,444	249,726	3,187,170
Depreciation expense	91,062	-	91,062
Facility, equipment, and maintenance	1,596,035	-	1,596,035
Food service operations	2,046,858	-	2,046,858
Instructional materials	1,315,463	-	1,315,463
Insurance	556,943	-	556,943
Non-instructional materials	69,323	72,905	142,228
Miscellaneous	7,000	7,601	14,601
Telephone, postage, access, and printing	83,572	-	83,572
Salaries and benefits	24,899,365	1,884,330	26,783,695
State and local MFP fee	508,623	-	508,623
Student transportation	3,342,780	-	3,342,780
Technology	147,774	70,716	218,490
Travel and staff development	89,201	13,564	102,765
Total expenses	<u>\$ 37,709,556</u>	<u>\$ 2,298,842</u>	<u>\$ 40,008,398</u>

**RENEW – REINVENTING EDUCATION**

**NOTES TO FINANCIAL STATEMENTS**

**10. Functional Allocation of Expenses (continued)**

Functional expenses for the year ended June 30, 2018 are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Advertising	\$ 54,411	\$ 1,800	\$ 56,211
Contract services	3,400,370	577,481	3,977,851
Depreciation expense	71,276	-	71,276
Facility, equipment, and maintenance	2,297,606	-	2,297,606
Food service operations	2,595,657	-	2,595,657
Instructional materials	1,879,734	1,902	1,881,636
Insurance	579,512	-	579,512
Non-instructional materials	79,917	139,480	219,397
Miscellaneous	-	4,587	4,587
Telephone, postage, access, and printing	226,292	-	226,292
Salaries and benefits	33,661,062	2,612,886	36,273,948
State and local MFP fee	764,542	-	764,542
Student transportation	4,150,177	-	4,150,177
Technology	190,979	59,086	250,065
Travel and staff development	187,116	11,440	198,556
Total expenses	<u>\$ 50,138,651</u>	<u>\$ 3,408,662</u>	<u>\$ 53,547,313</u>

**11. Retirement System**

Certain employees of ReNEW were enrolled to be members of the Teachers' Retirement System of Louisiana (TRSL). This system is a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees with contribution rates and benefit provisions approved by the Louisiana Legislature. Pertinent information relative to the plan follows.

*Plan description* – The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. 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, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

## **RENEW – REINVENTING EDUCATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **11. Retirement System (continued)**

*Funding policy* - Plan members were required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. ReNEW was required to contribute at an actuarially determined rate. The employer contribution rate was 25.5 percent of annual covered payroll for all three membership plans as of June 30, 2018. Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. ReNEW's employer contribution to the TRSL, as provided by state law, was funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from ReNEW. ReNEW's contributions to the TRSL for the year ended June 30, 2018 was \$1,130,913; which is equal to the required contributions for each year.

Effective June 30, 2018, ReNEW terminated its participation in the TRSL.

#### **12. Defined Contribution Plan**

ReNEW has a 401(k) plan that was adopted in July 2010. Full-time employees 18 years of age and older are eligible to participate in the Plan after completing one hour of service in a twelve-month period. Under the terms of the Plan, ReNEW matches employee contributions up to 4% of employee compensation. For the years ended June 30, 2019 and 2018, ReNEW made \$306,823 and \$353,662, respectively, in employer matching contributions to the plan.

#### **13. School Properties**

On July 1, 2016, ReNEW entered into a lease agreement with the Recovery School District (RSD) to allow ReNEW to use facilities and contents located at 1607 South Carrollton Avenue for an initial period of two years, terminating on June 30, 2018 for the operations of ReNEW SciTech's programs ReNEW Early Childhood Center and ReNEW Therapeutic Program, as well as administrative offices. On July 1, 2018, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and contents located at 1607 South Carrollton Avenue for an initial period of one year. The OPSB extended the lease of the facilities and contents located at 1607 South Carrollton Avenue for one year through June 30, 2019. The OPSB did not charge ReNEW any rent for the years ended June 30, 2019 and 2018.

On February 10, 2017, ReNEW entered into a lease agreement with the RSD to allow ReNEW to use facilities and its contents located at 12000 Hayne Boulevard as an alternate, temporary location for ReNEW Schaumburg due to tornado damage suffered at 9501 Grant Street, terminating on June 15, 2017. This agreement was subsequently renewed beginning June 16, 2017 through June 30, 2018. On July 1, 2018, ReNEW entered into a one-year lease agreement with the OPSB to allow ReNEW to use the facilities and its content located at 12000 Hayne Boulevard. The lease terminated December 31, 2018 upon ReNEW Schaumburg returning to the facilities at 9501 Grant Street. On January 1, 2019 ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 9501 Grant Street. During the years ended June 30, 2019 and 2018, no rent was charged to ReNEW by the OPSB.

## RENEW – REINVENTING EDUCATION

### NOTES TO FINANCIAL STATEMENTS

#### **13. School Properties (continued)**

On July 1, 2017, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 2733 Esplanade Avenue, or any other locations approved by ReNEW and the Board, for one year, terminating on June 30, 2018 for the operations of ReNEW McDonogh #28 City Park Academy. The OPSB did not charge ReNEW any rent for the year ended June 30, 2018. ReNEW did not operate ReNEW McDonogh #28 City Park Academy nor occupy the facilities at 2733 Esplanade Avenue for the year ended June 30, 2019.

On July 1, 2017, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 3128 Constance Street, or any other locations approved by ReNEW and the Board, for one year, terminating on June 30, 2018 for the operations of ReNEW Cultural Art Academy. The OPSB did not charge ReNEW any rent for the year ended June 30, 2018. ReNEW did not operate ReNEW Cultural Art Academy nor occupy the facilities at 3128 Constance Street for the year ended June 30, 2019.

On July 1, 2018, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 3649 Laurel Street, terminating on June 30, 2019. ReNEW is using the space for ReNEW Accelerated High School #2. The OPSB has forgone the payment of rent for the first year of this lease agreement. On July 1, 2019, ReNEW entered into a lease agreement with the OPSB to extend the use of the facilities and its contents located at 3649 Laurel Street for two years. During the years ended June 30, 2019 and 2018, no rent was charged to ReNEW by the OPSB.

On July 1, 2018, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 10200 Curran Boulevard, terminating on June 30, 2019. ReNEW is using the space for ReNEW Dolores T. Aaron Academy. On July 1, 2019, ReNEW entered into a lease agreement with the OPSB to extend the use of the facilities and its contents located at 10200 Curran Boulevard for two years. During the years ended June 30, 2019 and 2018, no rent was charged to ReNEW by the OPSB.

On July 1, 2018, ReNEW entered into a lease agreement with the OPSB to allow ReNEW to use facilities and its contents located at 820 Jackson Avenue, terminating on June 30, 2019. ReNEW is using the space for ReNEW SciTech. On July 1, 2019, ReNEW entered into a lease agreement with the OPSB to extend the use of the facilities and its contents located at 820 Jackson Avenue for one year. During the years ended June 30, 2019 and 2018, no rent was charged to ReNEW by the OPSB.

Use of the property, including fixtures, furniture, and equipment provided by the OPSB is not recorded as an in-kind contribution. ReNEW is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules.

**RENEW – REINVENTING EDUCATION**

**NOTES TO FINANCIAL STATEMENTS**

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2019, and determined that the following item requires disclosure:

ReNEW Accelerated High School #2 will be transferred to Educators for Quality Alternatives for the 2020-2021 school year, with an anticipated effective date of July 1, 2020.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**RENEW - REINVENTING EDUCATION**  
**SCHEDULE OF COMPENSATION AND OTHER DISBURSEMENTS**  
**PAID TO OR ON BEHALF OF AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Organization Head: Tanva Bryant, CEO**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 172,500
Benefits - Insurance	5,238
Benefits - Retirement	6,900
Benefits - FICA	10,594
Benefits - Medicare	2,478
Other reimbursements:	
Business meals for CMO	369
Materials and supplies for CMO	191
Parking - CEO	33

See accompanying independent auditors' report.

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2019**

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**SINGLE AUDIT REPORT**

**JUNE 30, 2019**

**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

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**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,  
ReNEW – Reinventing Education

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 ReNEW – Reinventing Education (ReNEW) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ReNEW's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ReNEW's internal control. Accordingly, we do not express an opinion on the effectiveness of ReNEW'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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether ReNEW'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Trustees,  
ReNEW – Reinventing Education

**Report on Compliance for Each Major Federal Program**

We have audited ReNEW – Reinventing Education's (ReNEW) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of ReNEW's major federal programs for the year ended June 30, 2019. ReNEW's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of ReNEW's major federal programs based on our audit of the types of compliance requirements referred to above. 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 1 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ReNEW's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of ReNEW's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, ReNEW 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, 2019.

### **Report on Internal Control Over Compliance**

Management of ReNEW is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ReNEW's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ReNEW's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

**Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of ReNEW as of and for the year ended June 30, 2019, and have issued our report thereon dated December 30, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2019

**RENEW - REINVENTING EDUCATION  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>CFDA Number</b>	<b>Grantor Project Number</b>	<b>Federal Expenditures</b>	<b>Passed to Sub-Recipients</b>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through the Louisiana Department of Education				
School Breakfast Program	10.553	16-SFS-015	\$ 714,036	\$ 28,563
National School Lunch Program	10.555	16-SFS-015	1,302,580	56,113
Summer Food Service Program for Children	10.559	16-SFS-015	14,643	-
Total Child Nutrition Cluster			<u>2,031,259</u>	<u>84,676</u>
Child and Adult Care Food Program	10.558	2016-92AR	319,182	35,850
Team Nutrition Grants	10.574	201717N350330	2,500	-
Fresh Fruit and Vegetable Program	10.582	201918L160346	108,891	-
Total U.S. Department of Agriculture			<u>2,461,832</u>	<u>120,526</u>
<b><u>U.S. Department of Education</u></b>				
Passed through the Louisiana Department of Education				
Special Education - Grants to States and High Risk Pool	84.027A	H027A150033	893,377	-
Special Education - Preschool Grants	84.173A	H173A150082	71,644	-
Total Special Education Cluster			<u>965,021</u>	<u>-</u>
Title I Grants to Local Education Agencies	84.010A	S010A140018	2,057,635	-
Title II, Part A, Teacher and Principal Training and Recruitment	84.367A	S367A150017	197,862	-
Title III, Part A	84.365	S354A150018	6,700	-
Title IV, Part A	84.424A	S424A170019	135,918	-
Twenty-First Century Community Learning Centers	84.287	2814C8WC	905,215	-
Striving Readers	84.371C	S371C11045-12	236,254	-
CSP Dissemination	84.282	28-18-CSD1-VE	135,520	-
Perkins	84.048	V0488A150018	6,800	-
Passed through Louisiana Board of Regents				
LA Gear UP	84.334	N/A	41,550	-
Total U.S. Department of Education			<u>4,688,475</u>	<u>-</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through the Louisiana Department of Education				
Temporary Assistance for Needy Families	93.558B	G-61102LATANF	526,690	-
Total Temporary Assistance for Needy Families Cluster			<u>526,690</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>526,690</u>	<u>-</u>
<b><u>Corporation for National and Community Service</u></b>				
AmeriCorps	94.006	N/A	227,558	-
Total Federal Assistance Expended			<u>\$ 7,904,555</u>	<u>\$ 120,526</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of ReNEW- Reinventing Education (ReNEW) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 1 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 ReNEW, it is not intended to and does not present the financial position, changes in net assets, or cash flows of ReNEW.

**(2) Summary of Significant Accounting Policies**

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 allowable or are limited as to reimbursement. ReNEW has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**(3) Relationship to Basic Financial Statements**

Federal awards are included in federal government revenue in the statements of activities and changes in net assets.

**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Section I – Summary of Independent Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified: no
- Significant deficiency(ies) identified: none reported

Noncompliance material to the financial statements noted: no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified: no
- Significant deficiency(ies) identified: none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance no

Identification of major programs:

- U.S. Department of Agriculture
  - Child Nutrition Cluster:
    - School Breakfast Program 10.553
    - National School Lunch Program 10.555
    - Summer Food Service Program for Children 10.559
- U.S Department of Health and Human Services
  - Temporary Assistance for Needy Families 93.558B
- U.S Department of Education
  - Twenty-First Century Community Learning Centers 84.287

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as a low risk auditee: no

**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Findings relating to the financial statements reported in accordance with**  
**Government Auditing Standards**

None

**Section III – Findings and Questioned Costs Related to Federal Awards**

None

**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Findings relating to the financial statements reported in accordance with**  
**Government Auditing Standards**

None

**Section III – Findings and Questioned Costs Related to Federal Awards**

None

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**PERFORMANCE AND STATISTICAL DATA**

**FOR THE YEAR ENDED JUNE 30, 2019**

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**PERFORMANCE AND STATISTICAL DATA**

**FOR THE YEAR ENDED JUNE 30, 2019**



**Independent Accountants' Report**  
**on Applying Agreed-Upon Procedures**

To the Board of Directors  
ReNEW – Reinventing Education  
New Orleans, Louisiana:

We have performed the procedures enumerated below, which were agreed to by the management of ReNEW – Reinventing Education (ReNEW), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the financial statements of ReNEW for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of ReNEW is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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 among the following amounts reported on Schedule 1:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

**We noted no exceptions.**

**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, 2018 roll books for those classes and observed that the class was properly classified on Schedule 2.

**We noted no exceptions.**

Education Levels/Experience of Public School Staff

3. We obtained October 1, 2018 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.

**We noted no exceptions.**

Public School Staff Data: Average Salaries

4. We obtained June 30, 2019 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).

**We noted 1 item in our sample of 25 where the individual's salary could not be agreed to the year-to-date payroll register. Subsequent to identifying exceptions, ReNEW updated the schedule to correct the salary.**

This agreed-upon procedures engagement was performed 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of ReNEW, as required by Louisiana Revised Statute 24:514 I, 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 Louisiana Legislative Auditor as a public document.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2019

**Schedule 1:**  
**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2019**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 8,163,733	
Other Instructional Staff Activities	4,679,443	
Instructional Staff Employee Benefits	3,071,871	
Purchased Professional and Technical Services	1,167,954	
Instructional Materials and Supplies	1,034,081	
Instructional Equipment	91,062	
Total Teacher and Student Interaction Activities		\$ 18,208,145
Other Instructional Activities		230,566
Pupil Support Activities	3,466,105	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		3,466,105
Instructional Staff Services	3,195,423	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		3,195,423
School Administration	3,961,240	
Less: Equipment for School Administration	-	
Net School Administration		3,961,240
Total General Fund Instructional Expenditures		<u>\$ 29,061,479</u>
Total General Fund Equipment Expenditures		<u>\$ 91,062</u>

**Prepared by ReNEW - Reinventing Education**

**Schedule 2:  
Class Size Characteristics  
As of October 1, 2018**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	39%	180	17%	81	38%	177	6%	29
Elementary Activity Classes	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	67%	56	11%	9	15%	13	7%	6
High Activity Classes	72%	5	14%	1	0%	-	14%	1
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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.

**Prepared by ReNEW - Reinventing Education**

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2019**

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**RENEW – REINVENTING EDUCATION**  
**NEW ORLEANS, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2019**



Independent Accountant's Report  
On Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2019

To Board of Directors of ReNEW – Reinventing Education and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of ReNEW – Reinventing Education (Entity) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *"no exception noted"*. If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, *"procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity"* is indicated.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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.

*Postlethwaite & Netterville*

New Orleans, Louisiana  
December 30, 2019

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***Written Policies and Procedures***

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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 preparing, adopting, monitoring, and amending the budget.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

c) ***Disbursements***, including processing, reviewing, and approving.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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- 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)

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The entity does not have any debt, therefore, this is not applicable.*

- k) **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 systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The entity has written policies for 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, (4) use of antivirus software on all systems, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event; however, the policy does not specifically address (3) periodic testing/verification that backups can be restored and (5) timely application of all available systems and software patches/updates due to these two items not being applicable to the entity. All data is stored on the cloud and patches/updates are done automatically by the entity's service providers.*

***Board or Finance Committee***

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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:

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- 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.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-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.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

*The above procedure is not applicable for non-profits.*

***Bank Reconciliations***

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3. Obtain a listing of client 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 selected each 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, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Procedures outlined in #3 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating controls as asserted by the entity.*

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***Collections –***

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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. 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.
  - 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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* 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).

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- e) Trace the actual deposit per the bank statement to the general ledger.

*Procedures were not performed due to no exceptions occurring for this procedure in the prior year or the existence outlined in #4-7 of mitigating controls as asserted by the entity.*

***Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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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).

*The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the 1 and only location and performed the procedures below.*

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:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*We performed the procedures above and noted no exceptions.*

- b) At least two employees are involved in processing and approving payments to vendors.

*We performed the procedures above and noted no exceptions.*

- 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.

*For the location selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files. Per inquiry with management, an employee is responsible for periodically reviewing changes to vendor files, however, that employee is also allowed to process payments and add/modify vendor files.*

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- 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.

*We performed the procedures above and noted no exceptions.*

- 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 listing of non-payroll disbursements for the payment processing location selected in procedure #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 disbursements and performed the procedures below.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*We performed the procedures above and noted no exceptions.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*ReNEW does not have documentation of segregation of duties between the person responsible for processing payments and adding vendors to the entity’s purchasing/disbursement system. As noted above, per inquiry with management, an employee is responsible for periodically reviewing changes to vendor files, however, that employee is also allowed to process payments and add/modify vendor files*

***Management’s Response***

*9c and 10b) - ReNEW does not restrict the addition of vendors to the vendor list by employees outside of those entering disbursements due to staff limitations. However, ReNEW does employ a mitigating control that all disbursements are reviewed by the Controller, CFO, or COO before the disbursement is made.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 11. 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.
- 12. 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:

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- 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, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. 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).

*Procedures outlined in #11-13 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. 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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://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).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedures outlined in #14 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

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***Contracts***

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15. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* 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.
  - 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.

*Procedures outlined in #15 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Procedures outlined in #16-19 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***Ethics***

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20. 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 fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Procedures outlined in #20 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*

***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Not applicable as ReNEW has no debt.*

22. 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.

*Not applicable as ReNEW has no debt.*

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*Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. 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.

*Procedures outlined in #23-24 were not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.*