

**LAKE FOREST ELEMENTARY
CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2018



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Independent Auditor's Report

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Lake Forest Elementary Charter School (the School) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 auditor's 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 the entity'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 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 Lake Forest Elementary Charter School as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of board of directors, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, as required by Louisiana Revised Statute (LRS) 24:513 A(3), and the schedule of additional test scores are presented for purposes of additional analysis and are 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.

Schedules 1 through 9 are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the independent accountant's report on applying agreed-upon procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2018, on our consideration of the School'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 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 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 the School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
October 17, 2018

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Statement of Financial Position
 June 30, 2018

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 3,205,292
Prepaid Expenses	47,539
Grants Receivable	32,064
Other Receivables	<u>20,303</u>
Total Current Assets	<u>3,305,198</u>
Fixed Assets	
Construction in Progress	63,900
Furniture and Equipment	45,177
Leasehold Improvements	766,059
Accumulated Depreciation	<u>(85,754)</u>
Total Fixed Assets, Net	<u>789,382</u>
Other Assets	
Certificate of Deposit	<u>2,338,823</u>
Total Assets	<u><u>\$ 6,433,403</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 179,222
Accrued Liabilities	79,586
Deferred Revenue	<u>55,998</u>
Total Current Liabilities	<u>314,806</u>
Net Assets	
Unrestricted	<u>6,118,597</u>
Total Net Assets	<u>6,118,597</u>
Total Liabilities and Net Assets	<u><u>\$ 6,433,403</u></u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2018**

	Unrestricted	Temporarily Restricted	Total
Revenue, Grants, and Other Support			
State Public School Funding	\$ 5,798,786	\$ -	\$ 5,798,786
Federal Grants	729,999	-	729,999
Other Income	499,567	-	499,567
Donations	92,486	19,500	111,986
State Grants	15,956	-	15,956
Net Assets Released from Restrictions	22,013	(22,013)	-
Total Revenue, Grants, and Other Support	7,158,807	(2,513)	7,156,294
Expenses			
Program Services			
Regular Education Programs	3,239,252	-	3,239,252
Special Education Programs	100,241	-	100,241
Special Programs	353,753	-	353,753
Other Instructional Programs	129,955	-	129,955
Pupil Support Services	366,267	-	366,267
Instructional Staff Services	380,575	-	380,575
School Administration	757,399	-	757,399
Operations and Maintenance	917,780	-	917,780
Student Transportation	4,035	-	4,035
Food Service Operations	279,839	-	279,839
Depreciation	39,189	-	39,189
Management and General			
General Administration	95,324	-	95,324
Business Services	766,003	-	766,003
Facilities Acquisition	6,998	-	6,998
Fundraising	100,262	-	100,262
Total Expenses	7,536,872	-	7,536,872
Change in Net Assets	(378,065)	(2,513)	(380,578)
Net Assets, Beginning of Year	6,496,662	2,513	6,499,175
Net Assets, End of Year	\$ 6,118,597	\$ -	\$ 6,118,597

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2018**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (380,578)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	39,189
Decrease in Grants Receivable	267,425
Increase in Other Receivables	(12,840)
Increase in Prepaid Expenses	(1,240)
Increase in Accounts Payable	163,635
Increase in Accrued Liabilities	137
Increase in Deferred Revenue	<u>1,778</u>
Total Adjustments	<u>458,084</u>
Net Cash Provided by Operating Activities	<u>77,506</u>
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(81,115)
Purchase of Certificates of Deposit	<u>(45,930)</u>
Net Cash Used in Investing Activities	<u>(127,045)</u>
Net Decrease in Cash and Cash Equivalents	(49,539)
Cash and Cash Equivalents, Beginning of Year	<u>3,254,831</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,205,292</u></u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Lake Forest Elementary Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on March 14, 2006. The School applied to the Orleans Parish School Board (OPSB) to operate a Type 3 charter school. In July 2011, the School received a 10-year extension of the charter. The School serves eligible students in kindergarten through eighth grade.

The School leases its building rent free from the OPSB. The Orleans Parish School Board constructed a new building to which the School relocated in January 2016.

Effective July 1, 2017, the Orleans Parish School Board approved the School's request to operate as its own local educational agency.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Financial Statement Presentation

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions for which the restriction is met in the same year are classified as unrestricted.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Revenues

The School's primary source of funding is through the State Public School Funding. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

Statement of Cash Flows

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

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.

Concentrations

The School received 81% of its revenues in the year ended June 30, 2018 from the State Public School Funding and 10% of its funding from the federal government.

As noted earlier, the School is leasing its building from the OPSB rent free. Should this lease not be extended further, it would have an unfavorable impact to the School.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. The new standard is effective for fiscal years beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. The School is currently evaluating the impact of adopting the new revenue standard on its financial statements.

LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The School is evaluating the impact that ASU 2016-02 will have on its financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. The new standard is effective for fiscal periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The School is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Note 2. Cash and Certificate of Deposit

The School's cash and cash equivalents (book balances) at June 30, 2018, were \$3,205,292, which are stated at cost and approximate market.

The School periodically maintains cash in bank accounts in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

The School's investments are limited to a certificate of deposit totaling \$2,338,823, which is stated at cost and approximates market.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 3. Grants Receivable

As of June 30, 2018, grants receivable totaled \$32,064, which is a combination of state and federal grants. These receivables are considered to be fully collectible.

Note 4. Fixed Assets

Depreciation expense for the year ended June 30, 2018, was \$39,189. Depreciation is calculated using the straight-line method with useful lives of 5 to 30 years.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

Note 5. Accrued Liabilities

As of June 30, 2018, the School has recorded accrued liabilities of 79,586, which consists of accrued salaries and payroll liabilities.

Note 6. Designated Net Assets

At June 30, 2018, \$687,874 of unrestricted net assets represents funds raised by the Parent Teacher Organization which are designated to support the operations of the School.

Note 7. Temporarily Restricted Net Assets

During the year ended June 30, 2017, the School received donations in the amount of \$15,689 which were restricted for technology and were expended during the year and \$5,000 which was restricted for an edible garden at the campus of the School. At June 30, 2017, \$2,513 of this donation was temporarily restricted.

During the year ended June 30, 2018, the School received \$19,500 in temporarily restricted donations and net assets released from restrictions totaled \$22,013. At June 30, 2018, there were no remaining temporarily restricted net assets.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Retirement Plan

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana. The system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

Teachers' Retirement System of Louisiana (TRSL)

Plan Description: 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, P.O. Box 94123, Baton Rouge, LA 70804-9123. At June 30, 2017, the TRSL was 64.5% funded.

Funding Policy: Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2018, the employer contribution rate was 26.6%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's employer contributions to the plan for the years ended June 30, 2018, 2017, and 2016, were \$1,005,807, \$898,946, and \$761,006, respectively, which were equal to the required contributions. The School's first year to contribute to the plan was the year ended June 30, 2007.

403b Plan

The School provides a 403b defined contribution plan for its maintenance employees. The School provides a 4% match of employee contributions which totaled \$12,800 for the year ended June 30, 2018.

Note 9. Uncertain Income Taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 10. Subsequent Events

In accordance with ASC 855, the School has evaluated subsequent events through October 17, 2018, the date that these financial statements were available to be issued, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Lake Forest Elementary Charter School,
the Louisiana Department of Education, and
the Louisiana Legislative Auditor
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Lake Forest Elementary Charter School (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of Lake Forest Elementary Charter School for the fiscal year ended June 30, 2018, in compliance with Louisiana Revised Statute 24:514.1. Management of the School 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 random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - 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

Findings:

None.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers" (Schedule 4) to the combined total of full time classroom teachers per this schedule and to the School's supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings:

None.

Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers (Schedule 4)

6. We obtained a list of full time teachers, principals, and assistant principals by classification as of October 1st and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings:

None.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full time equivalents as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full time equivalents reported on the schedule.

Findings:

None.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None.

Louisiana Educational Assessment Program (LEAP) - ELA and Math (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None.

Graduation Exit Exam (GEE) (Schedule 8)

11. The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

LEAP Tests - Science and Social Studies (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None.

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 Lake Forest Elementary Charter School, as required by Louisiana Revised Statute 24:514.1, 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
October 17, 2018

LAKE FOREST ELEMENTARY CHARTER SCHOOL
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2018

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary, and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for principals, assistant principals, and full time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP) - ELA and Math

This schedule represents student performance testing data and includes summary scores by district for grades 3, 4, 5, 6, 7, and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam (GEE)

The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

LAKE FOREST ELEMENTARY CHARTER SCHOOL
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2018

Schedule 9 - LEAP Tests - Science and Social Studies

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7, and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2018**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,948,051	
Other Instructional Staff Salaries	243,598	
Instructional Staff Employee Benefits	897,018	
Purchased Professional and Technical Services	-	
Instructional Materials and Supplies	109,167	
Instructional Equipment	9,120	
	<hr/>	
Total Teacher and Student Interaction Activities		\$ 3,206,954
Other Instructional Activities		12,015
Pupil Support Services	349,267	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		349,267
Instructional Staff Services	335,309	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
Net Instructional Staff Services		335,309
School Administration	757,789	
Less: Equipment for School Administration	-	
	<hr/>	
Net School Administration		757,789
		<hr/>
Total General Fund Instructional Expenditures		\$ 4,661,334
		<hr/>
Total General Fund Equipment Expenditures		\$ 9,120
		<hr/>

Certain Local Revenue Sources

Local Taxation Revenue		
Constitutional Ad Valorem Taxes	\$ -	
Renewable Ad Valorem Tax	-	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes	-	
Other than School Taxes	-	
Sales and Use Taxes	-	
	<hr/>	
Total Local Taxation Revenue		\$ -
		<hr/>
Local Earnings on Investment in Real Property		
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
	<hr/>	
Total Local Earnings on Investment in Real Property		\$ -
		<hr/>
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
	<hr/>	
Total State Revenue in Lieu of Taxes		\$ -
		<hr/>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	\$ -	
	<hr/>	

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Education Levels of Public School Staff
 As of October 1, 2017**

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	16	60%	11	73%				
Master's Degree	9	33%	4	27%	1	100%		
Master's Degree +30	2	7%						
Specialist in Education								
Ph. D. or Ed. D.								
Total	27	100%	15	100%	1	100%		

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2018**

Schedule 3

Type	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Experience of Public Principals, Assistant Principals,
 and Full Time Classroom Teachers
 As of October 1, 2017**

Schedule 4

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals and Assistant Principals					1			1
Classroom Teachers	3	4	18	5	5	2	5	42
Total	3	4	18	5	6	2	5	43

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Public School Staff Data: Average Salaries
 For the Year Ended June 30, 2018**

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$52,305	\$51,600
Average Classroom Teachers Salary Excluding Extra Compensation	\$50,203	\$49,474
Number of Teacher Full Time Equivalent (FTEs) Used in Computation of Average Salaries	40.96	38.65

See independent accountant's report on applying agreed-upon procedures.

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Class Size Characteristics
 As of October 1, 2017

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	61%	20	36%	12	3%	1		

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Louisiana Educational Assessment Program (LEAP) -
ELA and Math
For the Year Ended June 30, 2018**

Schedule 7

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 3						
Advanced	48%	28%	23%	23%	24%	42%
Mastery	46%	64%	66%	63%	61%	50%
Basic	5%	6%	10%	13%	10%	5%
Approaching Basic	1%	1%	1%	1%	4%	3%
Unsatisfactory	0%	1%	0%	0%	1%	0%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 4						
Advanced	31%	39%	31%	23%	16%	36%
Mastery	61%	51%	60%	67%	66%	55%
Basic	7%	9%	8%	4%	14%	9%
Approaching Basic	1%	0%	1%	6%	4%	0%
Unsatisfactory	0%	1%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 5						
Advanced	23%	33%	18%	21%	15%	8%
Mastery	72%	55%	63%	64%	60%	55%
Basic	4%	11%	15%	15%	18%	28%
Approaching Basic	1%	1%	2%	0%	6%	9%
Unsatisfactory	0%	0%	2%	0%	1%	0%
Total	100%	100%	100%	100%	100%	99%

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Louisiana Educational Assessment Program (LEAP) -
ELA and Math (Continued)
For the Year Ended June 30, 2018**

Schedule 7 (Continued)

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 6						
Advanced	27%	30%	24%	26%	25%	13%
Mastery	56%	59%	70%	69%	61%	62%
Basic	16%	11%	6%	4%	14%	24%
Approaching Basic	1%	0%	0%	1%	0%	1%
Unsatisfactory	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 7						
Advanced	60%	50%	36%	23%	16%	14%
Mastery	38%	36%	61%	66%	57%	58%
Basic	2%	13%	3%	11%	26%	28%
Approaching Basic	0%	0%	0%	0%	0%	0%
Unsatisfactory	0%	1%	0%	0%	1%	0%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 8						
Advanced	56%	60%	41%	9%	35%	40%
Mastery	43%	40%	55%	71%	53%	50%
Basic	1%	0%	4%	16%	12%	10%
Approaching Basic	0%	0%	0%	4%	0%	0%
Unsatisfactory	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Graduation Exit Exam (GEE)
For the Year Ended June 30, 2018**

Schedule 8

The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
LEAP Tests - Science and Social Studies
For the Year Ended June 30, 2018**

Schedule 9

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 3						
Advanced	N/A	24%	33%	42%	N/A	N/A
Mastery	N/A	45%	41%	37%	N/A	N/A
Basic	N/A	30%	23%	17%	N/A	N/A
Approaching Basic	N/A	1%	3%	3%	N/A	N/A
Unsatisfactory	N/A	0%	0%	1%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 4						
Advanced	N/A	29%	21%	26%	N/A	N/A
Mastery	N/A	45%	51%	45%	N/A	N/A
Basic	N/A	23%	27%	24%	N/A	N/A
Approaching Basic	N/A	3%	1%	4%	N/A	N/A
Unsatisfactory	N/A	0%	0%	1%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 5						
Advanced	N/A	33%	24%	18%	N/A	N/A
Mastery	N/A	43%	46%	54%	N/A	N/A
Basic	N/A	24%	30%	24%	N/A	N/A
Approaching Basic	N/A	0%	0%	1%	N/A	N/A
Unsatisfactory	N/A	0%	0%	3%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

The LEAP was not administered for Social Studies for Grades 3, 4, 5, 6, 7, and 8 for the 2015 - 2016 and 2016 - 2017 school years.

The LEAP was not administered for Science for Grades 3, 4, 5, 6, 7, and 8 for the 2017 - 2018 school year.

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
LEAP Tests - Science and Social Studies (Continued)
For the Year Ended June 30, 2018**

Schedule 9 (Continued)

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 6						
Advanced	N/A	40%	24%	37%	N/A	N/A
Mastery	N/A	48%	44%	40%	N/A	N/A
Basic	N/A	12%	32%	19%	N/A	N/A
Approaching Basic	N/A	0%	0%	4%	N/A	N/A
Unsatisfactory	N/A	0%	0%	0%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 7						
Advanced	N/A	50%	36%	91%	N/A	N/A
Mastery	N/A	36%	61%	9%	N/A	N/A
Basic	N/A	13%	3%	0%	N/A	N/A
Approaching Basic	N/A	0%	0%	0%	N/A	N/A
Unsatisfactory	N/A	1%	0%	0%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

District Achievement Level Results	Science			Social Studies		
	2018	2017	2016	2018	2017	2016
Students	%	%	%	%	%	%
Grade 8						
Advanced	N/A	26%	21%	83%	N/A	N/A
Mastery	N/A	63%	55%	13%	N/A	N/A
Basic	N/A	11%	24%	4%	N/A	N/A
Approaching Basic	N/A	0%	0%	0%	N/A	N/A
Unsatisfactory	N/A	0%	0%	0%	N/A	N/A
Total	N/A	100%	100%	100%	N/A	N/A

The LEAP was not administered for Social Studies for Grades 3, 4, 5, 6, 7, and 8 for the 2015 - 2016 and 2016 - 2017 school years.

The LEAP was not administered for Science for Grades 3, 4, 5, 6, 7, and 8 for the 2017 - 2018 school year.

See independent accountant's report on applying agreed-upon procedures.

SUPPLEMENTARY INFORMATION

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2018**

<u>Board Members</u>	<u>Compensation</u>
Gina Dupart, President 6652 Manchester Road New Orleans, LA 70126	\$-0-
G. Lee Caston 22124 Nolan Road Covington, LA 70435	\$-0-
Leila Eames 5820 Eastover Drive South New Orleans, LA 70128	\$-0-
Denise Williams 2342 Prentiss Avenue New Orleans, LA 70122	\$-0-
Windi Brown Smith 5629 Berkley Drive New Orleans, LA 70131	\$-0-
Brian K. Richburg, Sr. 7710 Wave Drive New Orleans, LA 70128	\$-0-
Enix Smith, III 7009 Lake Willow Drive New Orleans, LA 70126	\$-0-

See independent auditor's report

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Schedule of Compensation, Benefits, and Other Payments to
 Agency Head or Chief Executive Officer
 For the Year Ended June 30, 2018**

Agency Head

Mardele S. Early, Founding Chief Executive Officer

Purpose	Amount
Salary	\$187,500
Benefits - Health Insurance	\$5,708
Benefits - Retirement	\$49,875
Benefits - Life Insurance	\$599
Benefits - Worker's Compensation	\$1,125
Benefits - Dental	\$255
Benefits - Vision	\$68
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Schedule of Additional Test Scores
 For the Year Ended June 30, 2018**

LEAP 2025	Algebra 1		English 1	
	2018		2018	
Total Students Enrolled	22		22	
Grade 8	Number	%	Number	%
Advanced	13	59%	20	90%
Mastery	9	41%	2	10%
Basic		0%		0%
Approaching Basic		0%		0%
Unsatisfactory		0%		0%
Total	22	100%	22	100%

* All students received 1 Carnegie unit in each subject for High School.

* **5 students earned perfect scores in Algebra I.**

**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**

Independent Auditor's Report

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

We have audited, 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, the financial statements of Lake Forest Elementary Charter School (the School), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 the School'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 School'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 School'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 Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
October 17, 2018

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

Part I. Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1) Type of auditor's report | Unmodified |
| 2) Internal control over financial reporting: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified? | No |
| c) Noncompliance material to the financial statements? | No |

Federal Awards

Not applicable.

Part II. Findings Related to the Financial Statements

None.

Part III. Federal Award Findings

Not applicable.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2018**

None.

AGREED-UPON PROCEDURES REPORT

Lake Forest Elementary Charter School

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of July 1, 2017 - June 30, 2018

To Lake Forest Elementary Charter School and
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Lake Forest Elementary Charter School (the School) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2017 through June 30, 2018. The School's management is responsible for those C/C areas identified in the SAUPs. 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.

Our procedures and results are as follows:

Bank Reconciliations

1. 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 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, 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.

LOUISIANA • TEXAS

Results: We noted that bank reconciliations were prepared within 2 months of statement closing date, that bank reconciliations were reviewed by a board member who does not handle cash, and that there were no reconciling items that were outstanding for more than 12 months.

Collections

2. 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).

Results: We obtained management's representation that the listing provided was complete.

3. 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.

Results: We noted that the School does not use cash drawers/registers. We noted that each employee responsible for collecting cash is not responsible for preparing or making deposits and is not responsible for posting collection entries to the general ledger. We noted that the employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We noted that employees who have access to cash are covered by the fiduciary coverage of the School's errors and omissions policy.

5. 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We noted that the cash collections selected for testing were both child nutrition cash collections. For child nutrition, the School does not issue pre-numbered receipts to students, visitors, or employees. Instead, collections are entered into the child nutrition point of sale system. The child nutrition manager maintains a daily log which is reconciled to the point of sale system and the deposit slip. We noted that the School deposits child nutrition collections on a weekly basis. Both collections exceeded \$100 and the School's bank branch is within 10 miles of the campus. We traced the collections to the actual deposit and to the general ledger without exception.

Management's Response: Management believes that its procedures for collection of cash receipts effectively mitigate the need to use pre-numbered receipts. Daily child nutrition collections are placed in a lockbox in a locked cabinet. Weekly deposits rarely exceed \$400. Management believes that weekly deposit of child nutrition collections is sufficient.

This agreed-upon procedures engagement was performed 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 perform, and did not perform, 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 results 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



A Professional Accounting Corporation

Covington, LA
October 17, 2018