

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.



Financial Statements, Additional Information
for the Year Ended June 30, 2018, Federal
Awards Supplemental Information as of and
for the Year Ended June 30, 2018 and
Independent Auditor's Reports

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

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Independent Auditor's Report

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Achievement Charter Academies, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and change in net assets and cash flows, and the schedule of functional expenses 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 Louisiana Achievement Charter Academies, Inc. as of June 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Louisiana Achievement Charter Academies, Inc.'s financial statements. The schedule of expenditures of federal awards, as identified in the table of contents, and as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") is presented for the purpose of additional analysis and is not a required part of the financial statements. The combining statement of financial position and the combining statement of activities and change in net assets, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

The combining statement of financial position and the combining statement of activities and change in net assets have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2018 on our consideration of Louisiana Achievement Charter Academies, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Louisiana Achievement Charter Academies, Inc.'s internal control over financial reporting and compliance.



September 25, 2018

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

ASSETS

CURRENT ASSETS:

Cash	\$	1,230,558
Prepaid expenses		114,990
Due from governmental revenue sources		<u>183,603</u>

Total current assets 1,529,151

NON-CURRENT ASSETS:

Capital assets		48,365
Less accumulated depreciation		<u>(15,719)</u>

Total capital assets, net of accumulated depreciation 32,646

TOTAL \$ 1,561,797

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	10,664
Deferred revenue		234,332
Contracted service fee payable		<u>68,539</u>

Total liabilities 313,535

NET ASSETS - Unrestricted and undesignated 1,248,262

TOTAL \$ 1,561,797

See notes to financial statements.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS YEAR ENDED JUNE 30, 2018

REVENUES GAINS AND OTHER SUPPORT:

State aid	\$	10,931,190
Federal sources		1,691,836
Private sources		688,637
In-kind contribution - NHA		<u>2,303,286</u>
Total revenues		<u>15,614,949</u>

EXPENSES:

Contracted services fee		14,914,950
Expenses of the Board of Directors		52,653
Depreciation		<u>4,838</u>
Total expenses		<u>14,972,441</u>

CHANGE IN NET ASSETS

642,508

NET ASSETS:

Beginning of year		<u>605,754</u>
End of year	\$	<u>1,248,262</u>

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

State aid	\$ 10,931,190
Federal sources	1,869,808
Other state sources	(1,134)
Private sources	918,200
Payments for services rendered	<u>(13,056,453)</u>

Net cash provided by operating activities 661,611

NET INCREASE IN CASH 661,611

CASH - Beginning of Year 568,947

CASH - End of Year \$ 1,230,558

RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES:

Change in net assets	\$ 642,508
Depreciation expense	4,838
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in accounts payable	10,664
Change in prepaid expenses	(114,990)
Change in due from governmental revenue sources	184,886
Change in contracted service fee payable	(287,810)
Change in deferred revenue	<u>221,515</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 661,611

NON-CASH ACTIVITIES:

In-kind contribution from NHA \$ 2,303,286

See notes to financial statements.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u> Regular and Special Education	<u>Supporting Services</u> Management and General	Total
Contracted service fee:			
Instruction:			
Regular education programs	\$ 5,810,194	\$ -	\$ 5,810,194
Special education programs	425,440	-	425,440
Other instructional programs	812,083	-	812,083
Support services:			
Pupil support services	320,575	34,257	354,832
Instructional staff services	1,040,611	184,396	1,225,007
General administration	759,671	161,882	921,553
School administration	857,167	183,316	1,040,483
Business services	-	147,019	147,019
Operations and maintenance	2,943,755	9,050	2,952,805
Central services	-	415,660	415,660
Other support services	-	14,831	14,831
Food services	795,043	-	795,043
Total contracted service fee	13,764,539	1,150,411	14,914,950
Depreciation	4,838	-	4,838
Expenses of the Board of Directors	52,653	-	52,653
Total expenses	<u>\$ 13,822,030</u>	<u>\$ 1,150,411</u>	<u>\$ 14,972,441</u>

See notes to financial statements.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

1. NATURE OF OPERATIONS

Louisiana Achievement Charter Academies, Inc. (“LACA”) was incorporated on July 19, 2013 as a non-profit corporation under the laws of the State of Louisiana and began operations on July 1, 2014 as public charter schools as defined by the Charter School Demonstration Programs Law, LA. R.S. 17:3971 *et seq.* Advantage Charter Academy (“Advantage”) and Willow Charter Academy (“Willow”) (collectively, “the academies”), which are operated by LACA, provide education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The academies each operate under a charter approved by the Louisiana Board of Elementary and Secondary Education, which is responsible for oversight of LACA’s operations. The charters for the academies each expire on June 30, 2019, and are subject to an extension for an additional year. The academies provide education, at no cost to the parent, to students in kindergarten through the eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. LACA has applied to the Internal Revenue Service for recognition of its exemption from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

LACA’s primary source of revenue is provided by the State of Louisiana through its Minimum Foundation Program and consists of an amount per student multiplied by weighted average student counts. The state revenue, which passes through the Louisiana Department of Education, is recognized ratably over the school year and is funded through payments from July 2017 through June 2018.

The Board of Directors of LACA has entered into a separate services agreement (the “agreement”) for each of the academies with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facilities in which Advantage and Willow operate. The agreement will continue until termination or expiration of the charter contract, unless at least 90 days written notice of intent to terminate or renegotiate is given by either LACA or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the academies from all revenue sources. Revenues — In-kind contribution — NHA represents a contribution granted by NHA for the excess of Advantage or Willow’s expenditures over revenue available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The financial statements of LACA are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Cash — At June 30, 2018, the Academies had deposits with a carrying amount and bank balance of \$1,230,558 of which \$688,674 was uninsured and uncollateralized by federal depository insurance. The Academies do not have a deposit policy for custodial credit risk, as it typically does not anticipate holding uninsured deposits based on the nature of its management agreement with NHA. The Academies believe that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Academies evaluate each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Capital Assets — Capital assets consist of other equipment and other property purchased with the proceeds of federal grants with a cost of \$5,000 or more, title to which is retained by LACA. All other property and equipment used by LACA is the property of NHA. Capital assets are depreciated over five years.

The Financial Statements — The financial statements are presented as follows:

Net assets and changes therein are classified and reported as follows:

- *Unrestricted Net Assets* — Net assets, which are not subject to donor, imposed or governmental stipulations. All net assets as of June 30, 2018 are considered to be unrestricted.

Revenues and contributions are reported as follows:

- Revenues, gains and other support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed or governmental restrictions. Expenses are reported as decreases in unrestricted net assets. Other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or governmental restriction. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purposes have been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. For the year ended June 30, 2018, all revenue sources were unrestricted.
- Revenue is recorded when earned, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Income Taxes — LACA operates as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. LACA has received notification from the Internal Revenue Service (IRS) that they are considered exempt from Federal income tax under Section 501(c)(3) of the internal revenue code. Accordingly, no provision for federal income taxes has been made.

Recent Accounting Pronouncements — The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in August 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 will also require changes in the way certain information is aggregated and reported by LACA, including required disclosures about the liquidity and availability of resources. The new standard is effective for organizations with year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. LACA believes the impact of this standard will not have a material effect on the financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Academy's year ending June 30, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Academy has not yet determined which application method it will use. The Academy is in the process of evaluating potential effects of the new standard on the financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the Statement of Activities and Change in Net Assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the Statements of Activities and Change in Net Assets and Cash Flows will be general consistent with the current guidance. The new lease guidance will be effective for the Academy's year ending June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Academy's financial statements as a result of the Academy's operating leases, as disclosed in Note 5, that will be reported on the balance sheet at adoption. Upon adoption, the Academy will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

3. RISK MANAGEMENT

LACA is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2018, and claims did not exceed coverage less retained risk deductible amounts in past fiscal year.

4. CONTINGENCIES

LACA has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

5. CAPITAL ASSETS

Capital asset activity of LACA was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities — Other equipment	\$ 48,365	\$ -	\$ -	\$ 48,365
Less accumulated depreciation — Other equipment	10,881	4,838	-	15,719
Total capital assets, net	\$ 37,484	\$ (4,838)	\$ -	\$ 32,646

6. OPERATING LEASE

LACA has entered into a sublease agreement with NHA for a facility to house Advantage. The lease term is from July 1, 2017 through June 30, 2018. Annual rental payments required by the lease are \$1,027,840, payable in twelve monthly payments of \$85,653.

LACA has entered into a sublease agreement with NHA for a facility to house Willow. The lease term is from July 1, 2017 through June 30, 2018. Annual rental payments required by the lease are \$1,217,200, payable in twelve monthly payments of \$101,433.

The leases are automatically renewed on a year-to-year basis unless a notice of non-renewal is provided by either LACA or NHA.

LACA subsequently renewed each sublease with NHA for the period of July 1, 2018 through June 30, 2019, at the same rental rate.

7. COMPENSATION OF BOARD OF DIRECTORS

All members of the Board of Directors serve as volunteers without compensation. By resolution of the Board, Directors may be reimbursed for their reasonable expenses incident to their duties in accordance with applicable laws.

8. SUBSEQUENT EVENTS

Events or transactions occurring after June 30, 2018 have been evaluated through September 25, 2018, the date the financial statements were available to be issued. The financial statements and notes thereto do not reflect events or transactions after this date.

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ADDITIONAL INFORMATION

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

	Advantage	Willow	Total
ASSETS			
CURRENT ASSETS:			
Cash	\$ 618,909	\$ 611,649	\$ 1,230,558
Prepaid expenses	-	114,990	114,990
Due from governmental revenue sources	<u>68,363</u>	<u>115,240</u>	<u>183,603</u>
Total current assets	<u>687,272</u>	<u>841,879</u>	<u>1,529,151</u>
NON-CURRENT ASSETS:			
Capital assets	23,032	25,333	48,365
Less accumulated depreciation	<u>(7,486)</u>	<u>(8,233)</u>	<u>(15,719)</u>
Total capital assets, net of accumulated depreciation	<u>15,546</u>	<u>17,100</u>	<u>32,646</u>
TOTAL	<u>\$ 702,818</u>	<u>\$ 858,979</u>	<u>\$ 1,561,797</u>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts payable	\$ 9,195	\$ 1,469	\$ 10,664
Deferred revenue	1,970	232,362	234,332
Contracted service fee payable	<u>68,539</u>	<u>-</u>	<u>68,539</u>
Total liabilities	79,704	233,831	313,535
NET ASSETS - Unrestricted and undesignated	<u>623,114</u>	<u>625,148</u>	<u>1,248,262</u>
TOTAL	<u>\$ 702,818</u>	<u>\$ 858,979</u>	<u>\$ 1,561,797</u>

See notes to financial statements.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

COMBINING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS YEAR ENDED JUNE 30, 2018

	Advantage	Willow	Total
REVENUES GAINS AND OTHER SUPPORT:			
State aid	6,548,897	4,382,293	10,931,190
Federal sources	899,419	792,417	1,691,836
Private sources	370,728	317,909	688,637
In-kind contribution - NHA	<u>37,252</u>	<u>2,266,034</u>	<u>2,303,286</u>
Total revenues	<u>7,856,296</u>	<u>7,758,653</u>	<u>15,614,949</u>
EXPENSES:			
Contracted services fee	7,501,297	7,413,653	14,914,950
Expenses of the Board of Directors	30,028	22,625	52,653
Depreciation	<u>2,304</u>	<u>2,534</u>	<u>4,838</u>
Total expenses	<u>7,533,629</u>	<u>7,438,812</u>	<u>14,972,441</u>
CHANGE IN NET ASSETS	322,667	319,841	642,508
NET ASSETS:			
Beginning of year	<u>300,447</u>	<u>305,307</u>	<u>605,754</u>
End of year	<u>623,114</u>	<u>625,148</u>	<u>1,248,262</u>

See notes to financial statements.

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 Management and the Board of Directors
Louisiana Achievement Charter Academies, Inc.

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 Louisiana Achievement Charter Academies, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and change in net assets and cash flows, and the schedule of functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Achievement Charter Academies, Inc.'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy'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 Louisiana Achievement Charter Academies, Inc.'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*.

To Management and the Board of Directors
Louisiana Achievement Charter Academies, Inc.

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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

September 25, 2018

SUPPLEMENTAL INFORMATION

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2018**

Agency Head Name: Walter Morales, Board President

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Report on Compliance for Each Major Federal Program

We have audited Louisiana Achievement Charter Academies, Inc.'s (the "Academy") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2018. Louisiana Achievement Charter Academies, Inc.'s major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Louisiana Achievement Charter Academies, Inc.'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 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "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 Louisiana Achievement Charter Academies, Inc.'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 Louisiana Achievement Charter Academies, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Louisiana Achievement Charter Academies, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Report on Internal Control Over Compliance

Management of Louisiana Achievement Charter Academies, Inc. 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 Louisiana Achievement Charter Academies, Inc.'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 the Academy'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Plante & Moran, PLLC

September 25, 2018

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2018	Current Year Cash Transferred to Subrecipient
Clusters										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Louisiana Department of Education and Nutrition Program										
Cash Assistance										
Advantage National School Lunch Program 2016-17	N/A	10 555	\$ 268,272	\$ 268,272	\$ 4,358	\$ -	\$ 4,358	\$ -	\$ -	\$ -
Advantage National School Lunch Program 2017-18	N/A	10 555	273,275	-	-	-	269,822	273,275	3,453	-
Willow National School Lunch Program 2017-18	N/A	10 555	241,437	-	-	-	239,759	241,437	1,678	-
National School Lunch Program (incl. commodities) Subtotal		10 555	1,013,503	498,791	4,358	-	513,939	514,712	5,131	-
Advantage National School Breakfast Program 2016-17	N/A	10 553	90,664	90,664	2,022	-	2,022	-	-	-
Advantage National School Breakfast Program 2017-18	N/A	10 553	97,728	-	-	-	96,066	97,728	1,662	-
Willow National School Breakfast Program 2017-18	N/A	10 553	72,711	-	-	-	71,818	72,711	893	-
National School Breakfast Program Subtotal		10 553	332,517	162,078	2,022	-	169,906	170,439	2,555	-
Total Child Nutrition Cluster			1,346,020	660,869	6,380	-	683,845	685,151	7,686	-
Special Education Cluster - U.S. Department of Education - Passed through the Louisiana Department of Education										
IDEA Flowthrough										
Advantage IDEA Flowthrough 1617	N/A	84 027	85,998	85,998	27,840	-	27,840	-	-	-
Advantage IDEA Flowthrough 1718	N/A	84 027	114,278	-	-	-	109,349	114,015	4,666	-
Willow IDEA Flowthrough 1617	N/A	84 027	106,658	106,658	69,151	-	69,151	-	-	-
Willow IDEA Flowthrough 1718	N/A	84 027	92,160	-	-	-	84,753	92,160	7,407	-
Total IDEA Flowthrough		84 027	399,094	192,656	96,991	-	291,093	206,175	12,073	-
IDEA Preschool										
Advantage IDEA Preschool 1617	N/A	84 173A	2,950	2,950	2,950	-	2,950	-	-	-
Advantage IDEA Preschool 1718	N/A	84 173A	2,898	-	-	-	2,898	2,898	-	-
Willow IDEA Preschool 1617	N/A	84 173A	2,263	2,263	2,263	-	2,263	-	-	-
Willow IDEA Preschool 1718	N/A	84 173A	2,630	-	-	-	1,995	2,630	635	-
Total IDEA Preschool		84 173A	10,741	5,213	5,213	-	10,106	5,528	635	-
Total Special Education Cluster			409,835	197,869	102,204	-	301,199	211,703	12,708	-

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) YEAR ENDED JUNE 30, 2018

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2017	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2018	Current Year Cash Transferred to Subrecipient
Other federal awards										
Passed through the Louisiana Department of Education										
Title I - Part A										
Advantage Title I Part A 1617	N/A	84 010	\$ 371,965	\$ 305,041	\$ 145,153	\$ -	\$ 146,599	\$ 1,446	\$ -	\$ -
Advantage Title I Part A 1718	N/A	84 010	417,765	-	-	-	331,283	383,306	52,023	-
Willow Title I Part A 1617	N/A	84 010	284,299	283,293	98,472	-	93,780	(4,692)	-	-
Willow Title I Part A 1718	N/A	84 010	<u>391,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,201</u>	<u>378,077</u>	<u>96,876</u>	<u>-</u>
Total Title I Part A		84 010	1,465,781	588,334	243,625	-	852,863	758,137	148,899	-
Title II Part A - Improving Teacher Quality										
Advantage Title II Part A 1617	N/A	84 367	36,403	10,643	6,569	-	6,386	(183)	-	-
Advantage Title II Part A 1718	N/A	84 367	30,210	-	-	-	20,376	25,762	5,386	-
Willow Title II Part A 1617	N/A	84 367	51,354	3,826	2,597	-	2,597	-	-	-
Willow Title II Part A 1718	N/A	84 367	<u>19,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,342</u>	<u>9,440</u>	<u>7,098</u>	<u>-</u>
Total Title II Part A		84 367	<u>136,977</u>	<u>14,469</u>	<u>9,166</u>	<u>-</u>	<u>31,701</u>	<u>35,019</u>	<u>12,484</u>	<u>-</u>
Title VII - Part B Homeless Children and Youth										
Advantage Title VII 1617	N/A	84 196	2,736	714	714	-	714	-	-	-
Advantage Title VII 1718	N/A	84 196	1,179	-	-	-	-	1,174	1,174	-
Willow Title Title VII 1617	N/A	84 196	1,399	-	-	-	-	-	-	-
Willow Title Title VII 1718	N/A	84 196	<u>656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652</u>	<u>652</u>	<u>-</u>
Total Title VII - Part B		84 196	<u>5,970</u>	<u>714</u>	<u>714</u>	<u>-</u>	<u>714</u>	<u>1,826</u>	<u>1,826</u>	<u>-</u>
Total noncluster programs passed through the Louisiana Department of Education										
			<u>1,608,728</u>	<u>603,517</u>	<u>253,505</u>	<u>-</u>	<u>885,278</u>	<u>794,982</u>	<u>163,209</u>	<u>-</u>
Total Federal Awards			<u>\$ 3,364,583</u>	<u>\$ 1,462,255</u>	<u>\$ 362,089</u>	<u>\$ -</u>	<u>\$ 1,870,322</u>	<u>\$ 1,691,836</u>	<u>\$ 183,603</u>	<u>\$ -</u>

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

Notes to the Schedule of Expenditures of Federal Awards June 30, 2018

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Louisiana Achievement Charter Academies, Inc. (the "Academy") under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy. Pass-through entity identifying numbers are presented where available.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the financial statements. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 – Reconciliation to the Financial Statements

Since revenue is recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes 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 Section 2 CFR 200.516(a)? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.010	Title I Grants to Local Educational Agencies	Unmodified

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Independent Accountant's Report
on Applying Agreed-upon Procedures

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* enumerated below, which were agreed to by the management of Louisiana Achievement Charter Academies, Inc. (the "Academy") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Louisiana Achievement Charter Academies, Inc. 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). Management of Louisiana Achievement Charter Academies, Inc. is responsible for its financial records and compliance with applicable laws. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 findings related to the accompanying schedules of supplemental information and 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 were classified correctly and were 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

Exception Noted: 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 number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2017.

Exception Noted: None.

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

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.

Exception Noted: None.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2017 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Exception Noted: 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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Exception Noted: 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 1, 2017 and as reported on the schedule 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.

Exception Noted: 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 equivalent 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 the full-time equivalents were properly included on the schedule.

Exception Noted: None.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Exception Noted: Based on review of supporting documentation, the average salary excluding additional compensation and the average salary including additional compensation was originally reported incorrectly on Schedule 5. Upon identification of the exception, management reviewed supporting documentation, and a revised Schedule 5 has been included in the report.

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 1, 2017 roll books for those classes and determined if the class was properly classified on the schedule.

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Exceptions Noted: Based on review of the supporting documentation, the total number of classrooms reported in Schedule 6 varied by two classrooms. Additionally, there were students who appeared to be included in multiple roll books as provided by management. This resulted in variances in the number of classrooms for class size ranges of 1-20 students, 21-26 students, and 27-33 students. The originally provided Schedule 6 has been included in the report.

Louisiana Educational Assessment Program (LEAP) (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 in the schedule by Louisiana Achievement Charter Academies, Inc.

Exception Noted: None.

Graduation Exit Examination (GEE) (Schedule 8)

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

iLEAP Tests (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 in the schedule by Louisiana Achievement Charter Academies, Inc.

Exception Noted: None.

We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Louisiana Achievement Charter Academies, Inc.; the Louisiana Department of Education; the Louisiana Legislature; and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Plante & Moran, PLLC

September 25, 2018

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

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, 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

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.

Schedule 7 – Louisiana Educational Assessment Program (LEAP)

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

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

Schedules 9 – iLEAP Tests

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.

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
 BAKER, LOUISIANA

Schedule 1

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
 For the Year Ended June 30, 2018

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 3,483,822
Other Instructional Staff Salaries	243,986
Instructional Staff Employee Benefits	1,047,921
Purchased Professional and Technical Services	171,510
Instructional Materials and Supplies	589,818
Instructional Equipment	<u>50,143</u>

Total Teacher and Student Interaction Activities \$ 5,587,200

Other Instructional Activities

233,189

Pupil Support Services

378,876

Less: Equipment for Pupil Support Services

-

Net Pupil Support Services

378,876

Instructional Staff Services

658,797

Less: Equipment for Instructional Staff Services

-

Net Instructional Staff Services

658,797

School Administration

1,356,923

Less: Equipment for School Administration

-

Net School Administration

1,356,923

Total General Fund Instructional Expenditures

\$ 8,214,985

Total General Fund Equipment Expenditures

\$ 50,143

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
 BAKER, 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	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	26	72%	31	69%	-	0%	-	0%
Master's Degree	9	25%	14	31%	-	0%	-	0%
Master's Degree + 30	1	3%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	2	100%	-	0%
Total	36	100%	45	100%	2	100%	-	100%

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
BAKER, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2018

Schedule 3

Type	Number
Elementary	2
Middle/Jr. High	-
Secondary	-
Combination	-
Total	2

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

Schedule 4

BAKER, LOUISIANA

**Experience of Public Principals, Assistant Principals,
and Full Time Classroom Teachers**

As of October 1, 2017

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals					1	1		2
Assistant Principals								0
Classroom Teachers	29	21	22	4	1	1	3	81
Total	29	21	22	4	2	2	3	83

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
 BAKER, LOUISIANA
 Public School Staff Data
 For the Period July 1, 2017 Through 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	\$50,992.48	\$50,992.48
Average Classroom Teachers' Salary Excluding Extra Compensation	\$50,815.94	\$50,815.94
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	81	81

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
 BAKER, 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	16%	7	47%	21	27%	12	11%	5
Elementary Activity Classes								
Middle Jr. High								
Middle Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2018

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	1	0	1	0	1	2	2
Mastery	30	19	15	25	20	23	13	19
Basic	20	28	22	19	38	31	27	25
Approaching Basic	21	27	25	18	20	31	27	31
Unsatisfactory	27	25	38	37	23	14	31	23
Total	100	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	2	1	1	1	1	1	1
Mastery	20	26	19	17	19	12	19	8
Basic	27	30	24	27	23	32	26	25
Approaching Basic	26	31	26	39	36	34	41	37
Unsatisfactory	27	11	30	16	22	21	13	29
Total	100	100	100	100	101	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	2	1	0	0	1	2	1
Mastery	16	26	12	12	11	11	9	13
Basic	30	31	32	33	33	33	26	26
Approaching Basic	30	32	36	42	35	40	35	41
Unsatisfactory	24	9	19	13	22	15	28	19
Total	100	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	2	1	N/A	0	1	2	N/A
Mastery	12	15	24	N/A	10	7	10	N/A
Basic	28	31	39	N/A	29	28	34	N/A
Approaching Basic	43	36	30	N/A	40	33	36	N/A
Unsatisfactory	18	16	6	N/A	21	31	18	N/A
Total	100	100	100	N/A	100	100	100	N/A

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	6	N/A	N/A	0	2	N/A	N/A
Mastery	11	24	N/A	N/A	1	9	N/A	N/A
Basic	26	27	N/A	N/A	28	33	N/A	N/A
Approaching Basic	37	28	N/A	N/A	53	39	N/A	N/A
Unsatisfactory	25	15	N/A	N/A	19	17	N/A	N/A
Total	100	100	N/A	N/A	100	100	N/A	N/A

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

**LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
BAKER, LOUISIANA**

Schedule 7

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2018**

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	N/A	N/A	N/A	0	N/A	N/A	N/A
Mastery	27	N/A	N/A	N/A	13	N/A	N/A	N/A
Basic	30	N/A	N/A	N/A	23	N/A	N/A	N/A
Approaching Basic	22	N/A	N/A	N/A	29	N/A	N/A	N/A
Unsatisfactory	21	N/A	N/A	N/A	36	N/A	N/A	N/A
Total	100	N/A	N/A	N/A	100	N/A	N/A	N/A

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

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
BAKER, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2018

Schedule 8

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

iLEAP Test Results
For the Year Ended June 30, 2018

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	2	1	2	0	2	N/A	1
Mastery	N/A	7	10	10	10	9	N/A	13
Basic	N/A	38	33	28	17	22	N/A	39
Approaching Basic	N/A	28	30	31	30	25	N/A	22
Unsatisfactory	N/A	25	26	29	44	42	N/A	25
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	1	2	0	0	1	N/A	1
Mastery	N/A	4	6	1	6	4	N/A	1
Basic	N/A	32	37	36	14	15	N/A	39
Approaching Basic	N/A	36	38	38	45	32	N/A	29
Unsatisfactory	N/A	27	17	25	36	48	N/A	30
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	2	2	0	0	2	N/A	0
Mastery	N/A	9	3	0	8	5	N/A	4
Basic	N/A	41	28	31	22	18	N/A	44
Approaching Basic	N/A	26	33	45	27	33	N/A	30
Unsatisfactory	N/A	22	34	24	44	42	N/A	22
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	1	1	N/A	0	1	N/A	N/A
Mastery	N/A	8	2	N/A	9	7	N/A	N/A
Basic	N/A	27	50	N/A	19	12	N/A	N/A
Approaching Basic	N/A	38	30	N/A	33	40	N/A	N/A
Unsatisfactory	N/A	26	17	N/A	39	40	N/A	N/A
Total	N/A	100	100	N/A	100	100	N/A	N/A

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	3	N/A	N/A	3	5	N/A	N/A
Mastery	N/A	12	N/A	N/A	11	15	N/A	N/A
Basic	N/A	42	N/A	N/A	15	24	N/A	N/A
Approaching Basic	N/A	31	N/A	N/A	21	18	N/A	N/A
Unsatisfactory	N/A	12	N/A	N/A	52	38	N/A	N/A
Total	N/A	100	N/A	N/A	100	100	N/A	N/A

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

**LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.
BAKER, LOUISIANA**

Schedule 9

**iLEAP Test Results
For the Year Ended June 30, 2018**

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	N/A	N/A	N/A	2	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	18	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	23	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	31	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	26	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	100	N/A	N/A	N/A

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

Independent Accountant's Report on
Applying Agreed-upon Procedures

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

We have performed the procedures enumerated below, which were agreed to by Louisiana Achievement Charter Academies, Inc. (the "Academy") solely to assist users in evaluating management's accounting and control processes and procedures specified by the Louisiana Legislative Auditor in their prescribed statewide agreed-upon procedures designed to lessen the risk of fraud, waste, and abuse relating to Louisiana Achievement Charter Academies, Inc. as of June 30, 2018. The Academy's management is responsible for the accounting control processes and procedures relevant to the processes and procedures noted in the statewide agreed-upon procedures designed to lessen the risk of fraud, waste, and abuse. The sufficiency of these procedures is solely the responsibility of the Louisiana Legislative Auditor. 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 that we performed and our findings are as follows:

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

1. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
2. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for debit/credit card purchases, exception reports for excessive fuel card usage) was received 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.
3. Using the monthly statements or combined statements selected under #2 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).

To the Board of Directors
Louisiana Achievement Charter Academies, Inc.

Exceptions Noted:

- One monthly credit card statement with transactions totaling \$5,130.82 for the month of September 2017 included two transactions totaling \$249.73 that were missing tip information on the itemized receipts totaling \$17.78.
- One monthly credit card statement with transactions totaling \$1,186.97 for the month of September 2017 included one transaction totaling \$125.95 that was not properly supported by itemized receipts and documentation of business purpose or other required documentation.
- One monthly credit card statement with transactions totaling \$5,130.82 did not have written approval by someone other than the authorized cardholder.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 statewide agreed-upon procedures. 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.

This report is intended solely for the information and use of the specified party above and is not intended to be and should not be used by anyone other than this specified party.

Plante & Moran, PLLC

Grand Rapids, Michigan
September 25, 2018