

HYNES CHARTER SCHOOL CORPORATION

FINANCIAL REPORT

For the Years Ended June 30, 2017 and 2016



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HYNES CHARTER SCHOOL CORPORATION
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JUNE 30, 2017

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Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hynes Charter School Corporation
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Hynes Charter School Corporation (the "School") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Hynes Charter School Corporation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

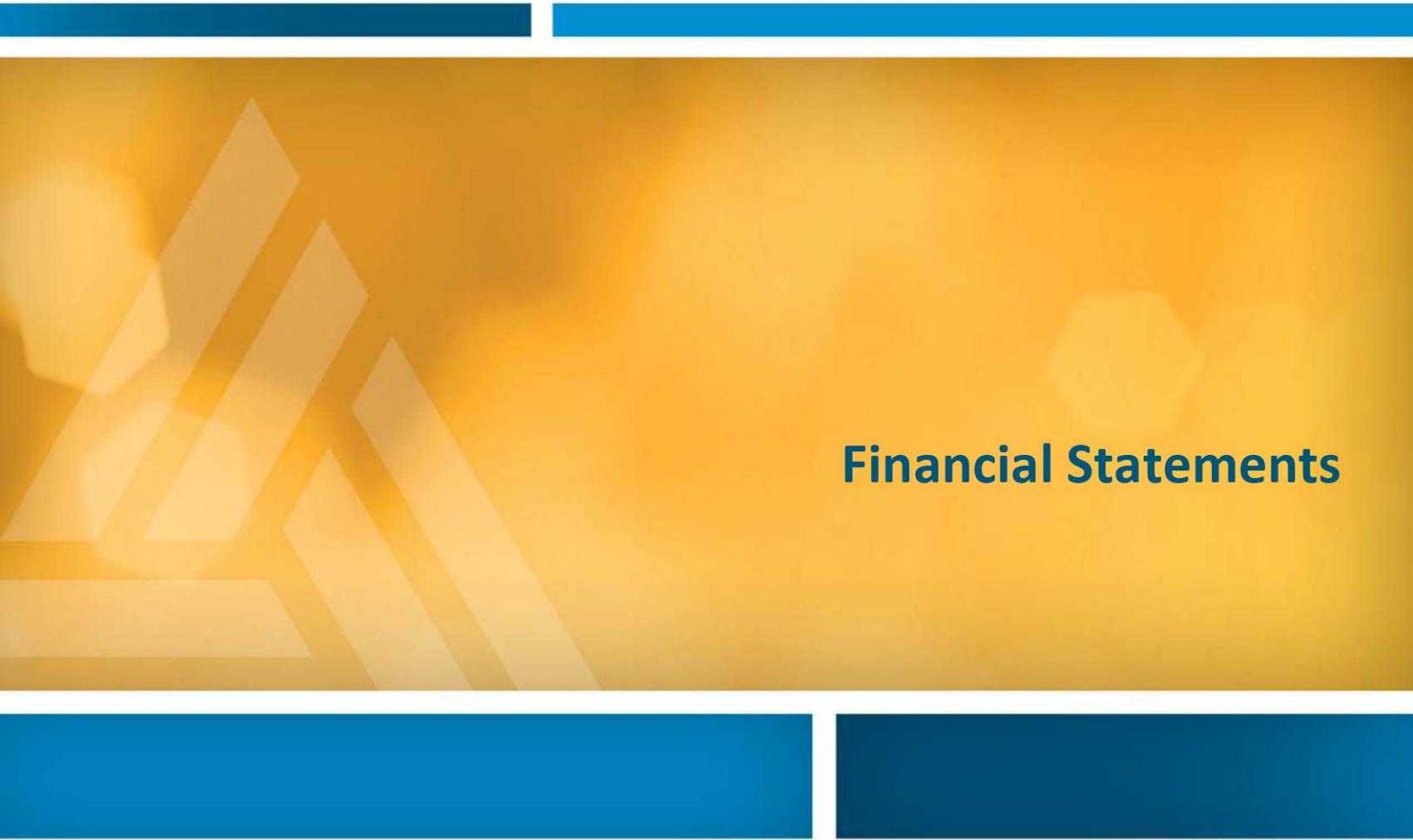
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017, on our consideration of Hynes Charter School Corporation'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 Hynes Charter School Corporation's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

September 29, 2017



Financial Statements

HYNES CHARTER SCHOOL CORPORATION
STATEMENTS OF FINANCIAL POSITION

<i>As of June 30,</i>	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,005,088	\$ 4,411,606
Cash restricted for student activities	109,616	197,649
Grant and other receivables	306,378	215,653
Prepaid insurance and other costs	131,654	93,924
Total current assets	5,552,736	4,918,832
OTHER ASSETS		
Equipment, net	14,015	22,318
Security deposit	10,000	10,000
Total other assets	24,015	32,318
TOTAL ASSETS	\$ 5,576,751	\$ 4,951,150
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 119,541	\$ 19,338
Accrued payroll liabilities	471,135	143,341
Deferred revenue	90,164	77,452
Total current liabilities	680,840	240,131
NET ASSETS		
Unrestricted	4,751,845	4,498,924
Temporarily restricted	144,066	212,095
Total net assets	4,895,911	4,711,019
TOTAL LIABILITIES AND NET ASSETS	\$ 5,576,751	\$ 4,951,150

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

HYNES CHARTER SCHOOL CORPORATION
STATEMENT OF ACTIVITIES

<i>For the Year Ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Grants			
Federal	\$ 370,623	\$ -	\$ 370,623
State and local Minimum Foundation Program	6,683,185	-	6,683,185
Other state	65,000	-	65,000
Donations	73,445	30,000	103,445
Student fees	-	365,975	365,975
Miscellaneous revenue	78,254	21,998	100,252
Net assets released from restrictions	486,002	(486,002)	-
Total revenues and other support	7,756,509	(68,029)	7,688,480
EXPENSES			
Administrative expenses	1,893,061	-	1,893,061
Program expenses	5,504,656	-	5,504,656
Miscellaneous expense - donated capital assets (note 6)	105,871	-	105,871
Total expenses	7,503,588	-	7,503,588
CHANGE IN NET ASSETS	252,921	(68,029)	184,892
NET ASSETS - Beginning of year	4,498,924	212,095	4,711,019
NET ASSETS - End of year	\$ 4,751,845	\$ 144,066	\$ 4,895,911

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

HYNES CHARTER SCHOOL CORPORATION
STATEMENT OF ACTIVITIES

<i>For the Year Ended June 30, 2016</i>	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Grants			
Federal	\$ 333,293	\$ -	\$ 333,293
State and local Minimum Foundation Program	6,739,844	-	6,739,844
Other state	143,000	-	143,000
Donations	122,384	34,000	156,384
Student fees	-	367,964	367,964
Miscellaneous revenue	105,481	30,661	136,142
Net assets released from restrictions	387,277	(387,277)	-
Total revenues and other support	7,831,279	45,348	7,876,627
EXPENSES			
Administrative expenses	2,115,907	-	2,115,907
Program expenses	5,109,816	-	5,109,816
Miscellaneous expense - donated playgrounds (note 6)	130,588	-	130,588
Total expenses	7,356,311	-	7,356,311
CHANGE IN NET ASSETS	474,968	45,348	520,316
NET ASSETS - Beginning of year	4,023,956	166,747	4,190,703
NET ASSETS - End of year	\$ 4,498,924	\$ 212,095	\$ 4,711,019

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

HYNES CHARTER SCHOOL CORPORATION
STATEMENTS OF CASH FLOWS

<i>For the Years Ended June 30,</i>	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 184,892	\$ 520,316
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,303	4,874
Changes in operating assets and liabilities:		
Cash restricted for student activities	88,033	(30,902)
Grant and other receivables	(90,725)	(92,155)
Prepaid insurance and other costs	(37,730)	25,404
Accounts payable	100,203	(137,256)
Accrued payroll liabilities	327,794	12,914
Deferred revenue	12,712	3,207
Net cash provided by operating activities	593,482	306,402
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of equipment	-	(17,144)
Net cash used in investing activities	-	(17,144)
NET INCREASE IN CASH AND CASH EQUIVALENTS	593,482	289,258
CASH AND CASH EQUIVALENTS - Beginning of year	4,411,606	4,122,348
CASH AND CASH EQUIVALENTS - End of year	\$ 5,005,088	\$ 4,411,606

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Hynes Charter School Corporation (the School) was granted a five-year charter by the Orleans Parish School Board (OPSB) in 2006 to provide all students with a safe and diverse learning community by empowering them to be proficient readers, writers, and critical thinkers. The charter was renewed for an additional five years effective July 1, 2012. The Hynes Charter School Corporation is a Type 3 charter school governed by a board of directors.

The charter was renewed for an additional ten years effective July 1, 2017.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The School follows the provisions of Not-For-Profit Entities Topic of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate categories of net assets, as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by the School is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the School pursuant to those stipulations.
- Permanently Restricted – Net assets whose use by the School is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the School. There were no permanently restricted net assets as of June 30, 2017 or 2016.

Also, under not-for-profit accounting, 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the School considers all unrestricted funds and highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Grant and Other Receivables

The grant and other receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Equipment

Equipment is capitalized at cost and updated for additions and retirements during the year. The net carrying amount is considered the net realizable value. Donated property and equipment is recorded at fair market values as of the date received. The School maintains a capitalization threshold of \$5,000 for equipment. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported equipment is depreciated using the straight-line method over three to five years.

Deferred Revenue

The School obtains payment of a \$95 student activity fee per student and a \$100 French fee, as applicable, at the time of registration for the subsequent year, during the spring of the current year. Revenues from these fees are recognized in the year in which they are earned. Fees collected in the current year that apply to the subsequent year are deferred. Receivables for student activity fees have not been recorded for the years ended June 30, 2017 and 2016, as management has determined the amounts are not material to the financial statements.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

HYNES CHARTER SCHOOL CORPORATION NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. As of June 30, 2017, temporarily restricted net assets consisted of \$109,616 generated by the student activity fund, \$33,200 for Project Lead the Way, and \$1,250 for FIT NOLA. As of June 30, 2016, temporarily restricted net assets consisted of \$197,649 generated by the student activity fund and \$14,446 for Project Lead the Way. The student activity fund consists of student activity fees and Husky Care revenue (before and after-school child care program) (See Note 8).

Income Tax Status

The School is a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the OPSB. The School received \$3,920 from the State and \$5,506 from the OPSB per eligible student in attendance at the official pupil count date of October 1, 2016. The School received \$4,290 from the State and \$5,052 from the OPSB per eligible student in attendance at the official pupil count date of October 1, 2015. MFP revenue accounts for 87% of the School's total support for the years ended June 30, 2017 and 2016. Federal grants are on a cost reimbursement basis and account for 5% and 4% of the School's total support for the years ended June 30, 2017 and 2016, respectively.

Other State Grant Revenue

Other state grant revenue consists of stipends for Foreign Associate Teachers (FAT) and Escadrille Louisiane Graduates (Escadrille). The stipend pays \$20,000 to \$21,000 per teacher per year depending on the type of visa held and the length of service within the program. The school was awarded \$63,000 each year related to the years ended June 30, 2017 and 2016.

Donated Equipment, Services, and Materials

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2017 and 2016, there were no non-cash contributions.

As part of an operating agreement with the OPSB, the School is not required to pay a lease on the property which houses the School. The administration has elected not to record the benefit from this transaction on their books (see Note 13).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Financial Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses. Absent specific donor stipulations, the School will use the placed-in-service approach for reporting expirations of restrictions on long-lived assets. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the School's financial statements. The School has not elected to early adopt this standard.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2017, and determined that no material events occurred that require disclosure, except as disclosed in Note 1 regarding renewal of the School's charter. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The School's cash deposits exceeded the Federal Deposit Insurance Corporation (FDIC) limits at various times during the years ended June 30, 2017 and 2016. At June 30, 2017 and 2016, the School's cash deposits exceeded the FDIC limits by \$5,189,942 and \$4,470,987, respectively. The excess of cash deposits over FDIC limits were adequately covered by pledged securities at June 30, 2017 and 2016.

HYNES CHARTER SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – COMPENSATED ABSENCES

Teachers and staff are allowed a maximum of 10 cumulative sick and/or personal days per year. For the years ended June 30, 2017 and 2016, earned and unused sick and/or personal days were paid to employees at a rate of \$80 per day following the School’s fiscal year end. The School has accrued \$36,126 and \$32,566 of unpaid leave as of June 30, 2017 and 2016, respectively, which is included in accrued payroll liabilities on the statements of financial position.

NOTE 4 – GRANT AND OTHER RECEIVABLES

Grant and other receivables are deemed to be fully collectible by management and were comprised of the following as of June 30, 2017 and 2016:

	2017	2016
Grant receivables		
Title I	\$ 168,999	\$ 139,369
Title II	31,960	22,559
Title III	2,948	-
Educational Excellence Fund	10,983	10,229
Individuals with Disabilities Education Act – Part B	84,379	40,437
Total grant receivables	299,269	212,594
Other receivables	7,109	3,059
Total grant and other receivables	\$ 306,378	\$ 215,653

NOTE 5 – EQUIPMENT

Equipment is as follows as of June 30, 2017 and 2016:

	2017	2016
Equipment	\$ 31,623	\$ 31,623
Less: accumulated depreciation	(17,608)	(9,305)
Equipment, net	\$ 14,015	\$ 22,318

For the years ended June 30, 2017 and 2016, depreciation expense was \$8,303 and \$4,874, respectively.

NOTE 6 – DONATED CAPITAL ASSETS AND PLAYGROUNDS

During fiscal year 2017, the School incurred costs to construct a basketball court. The school donated this capital asset to the OPSB during fiscal year 2017. The costs were expensed on the statement of activities for the year ended June 30, 2017 as a donated capital asset in the amount of \$105,871.

NOTE 6 – DONATED CAPITAL ASSETS AND PLAYGROUNDS (CONTINUED)

During fiscal year 2016, the School incurred costs for small improvement projects and capitalizable assets such as a memorial garden, additional outside lighting, an audio video system in the gym, two classroom projectors, and purchase and installation of 24 security cameras. The school donated these capital assets to the OPSB during fiscal year 2016. The costs were expensed on the statement of activities for the year ended June 30, 2016 as donated capital assets in the amount of \$130,588.

NOTE 7 – RETIREMENT PLAN

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (the "System"). 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.

Plan Description

The System provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, five years of service credit if the employee reaches age sixty, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

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. The rate was 25.5% and 26.3% of annual eligible covered payroll for the years ended June 30, 2017 and 2016, respectively. Member contributions and employer contributions for the System are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the System for the years ended June 30, 2017 and 2016 was \$973,564 and \$999,620, respectively.

NOTE 8 – FUNDS RESTRICTED FOR STUDENT ACTIVITIES

The School maintains a separate bank account for student activities. The account is for collected student activity fees and Husky Care (before and after-school care program) fees. Restricted student activity funds amounted to \$109,616 and \$197,649 at June 30, 2017 and 2016, respectively, and are reported as cash restricted for student activities and as temporarily restricted net assets in the statements of financial position.

**HYNES CHARTER SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – RELATED PARTY TRANSACTIONS

During fiscal years ended June 30, 2017 and 2016, the School had related party expenses totaling \$323,901 and \$390,525, respectively, with the OPSB, the School's Local Educational Agency (LEA). There was no receivable balance due from the OPSB for the years ended June 30, 2017 and 2016. There was an \$89,579 payable balance due to the OPSB as of June 30, 2017 for IT services. The School had no accounts payable balance owed to the OPSB as of June 30, 2016.

Shared services, which are the IT services provided by the LEA, account for \$89,579 and \$99,654 of the related party expenses for the years ended June 30, 2017 and 2016, respectively. The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to the LEA. For the years ended June 30, 2017 and 2016, the School paid \$133,624 and \$134,933, respectively, in administrative fees to the LEA. In addition, the School incurred \$90,093 and \$135,298 of related party expenses to the OPSB for insurance costs on their current location under the lease agreement for the years ended June 30, 2017 and 2016, respectively.

The remaining related party expenses of \$10,605 and \$20,640 are for the food services provided by the LEA for meals at the School for the years ended June 30, 2017 and 2016, respectively.

NOTE 10 – COMMITMENTS

The School has employment contracts with most of its employees. The contracts for the current year expired June 30, 2017. All contracts provide for a minimum annual salary and other benefits.

NOTE 11 – CONTINGENCIES

State Funding

The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

NOTE 12 – SIGNIFICANT CONCENTRATIONS

For the years ended June 30, 2017 and 2016, the School received approximately 36% and 37%, respectively, of its total revenue from State public school funds, and approximately 51% and 48%, respectively, of its total revenue from Local sources.

NOTE 13 – SCHOOL OPERATION/LEASEHOLD INTEREST

Effective January 1, 2013, the School renewed an operating agreement with the Orleans Parish School Board (OPSB), which allows the School to use the facilities and contents located at 990 Harrison Ave., New Orleans, LA 70124, or any other locations that may be approved by the School and the OPSB. This agreement was extended on July 1, 2017 and will expire on June 30, 2021. The agreement may be renewed for a period of one year at the option of the OPSB. For the use of the facilities, the School reimburses property insurance costs to the OPSB. The School had paid \$90,093 and \$135,298 for the years ended June 30, 2017 and 2016, respectively, in property insurance reimbursement costs.

As of June 30, 2017 and 2016, the School had a \$10,000 security deposit with the OPSB.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the OPSB at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School also has the right to use kitchen equipment owned by OPSB for no fee.

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

NOTE 14 – UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require the School's management to evaluate tax positions taken by the School and recognize a tax liability if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School's management has analyzed the tax positions taken by the School, and has concluded that as of June 30, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.



Supplementary Information

**HYNES CHARTER SCHOOL CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head Name: Michelle Douglas, Principal/CEO

PURPOSE	Amount
Salary	\$ 150,659
Benefits-health insurance	6,116
Benefits-retirement	38,418
Deferred compensation	-
Workers compensation	762
Benefits-life insurance	36
Benefits-long term disability	192
Benefits-Fica and Medicare	2,185
Car allowance	-
Vehicle provided by government	-
Cell phone	780
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	2,339
Unvouchered expenses	-
Meetings and conventions	-
Other	360
Total	\$ 201,847

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Hynes Charter School Corporation
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hynes Charter School Corporation (the "School") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated September 29, 2017.

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.

Carri Riggs & Ingram, L.L.C.

September 29, 2017

**HYNES CHARTER SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION I - SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Hynes Charter School Corporation (a nonprofit organization).
2. No instances of noncompliance material to the financial statements of Hynes Charter School Corporation, which would be required to be disclosed under *Government Auditing Standards*, were disclosed and identified during the audit.
3. No instances of noncompliance material to the financial statements of Hynes Charter School Corporation were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS

No findings noted.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

No findings noted.

**HYNES CHARTER SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS

No findings noted.

SECTION III - FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

Finding 2016-001 Background Check Compliance

Condition: The School's current internal control structure or operation does not allow management or staff to identify if background checks have been completed or reviewed for adequacy.

Status: Resolved.



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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES –
PERFORMANCE AND STATISTICAL DATA**

To the Board of Directors of
Hynes Charter School Corporation
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Hynes Charter School Corporation (a nonprofit organization) 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 Hynes Charter School Corporation 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 Hynes Charter School Corporation is responsible for the performance and statistical data. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. 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 supplementary information 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 Schedule 1:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures

- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Findings: None noted.

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 Principal, Assistant Principal, and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school supporting payroll records as of October 1, 2016.

Findings: None noted.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principal, Assistant Principal, and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: None noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2016, and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determine if the individual’s education level was properly classified on Schedule 2.

Findings: None noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on Schedule 3. 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.

Findings: None noted.

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, 2016, and as reported on Schedule 4 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: CRI noted four (4) of the twenty-five (25) teachers had the incorrect number of years of teaching experience on the October 2016 PEP report by Hynes Charter School Corporation.

Management's Response: Management noted a pattern in the discrepancies related to international teachers and teachers new to the public school system. Management has clarified and communicated procedures for indicating years of experience among teaching staff for PEP, including expectations around documentation for teachers that are new to the School and have implemented additional procedures to ensure correct calculations in the future. School data leaders receive hands-on coaching in order to correctly calculate and report experience. Supporting documentation is retained in each employee's personnel file for review.

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 Schedule 5 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 Schedule 5.

Findings: None noted.

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5.

Findings: None noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on Schedule 6 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, 2016 roll books for those classes and determined if the class was properly classified on Schedule 6.

Findings: None noted.

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 Schedule 7 by Hynes Charter School Corporation.

Findings: None noted.

Graduation Exit Examination (GEE) (Schedule 8)

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

Integrated Louisiana Educational Assessment Program (iLEAP) (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 Schedule 9 by Hynes Charter School Corporation.

Findings: None noted.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on 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 Hynes Charter School Corporation, the Louisiana Department of Education, the Louisiana Legislature, and Legislative Auditor, State of Louisiana, and the Orleans Parish School Board, 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.

Carri Riggs & Ingram, L.L.C.

September 29, 2017

**HYNES CHARTER SCHOOL CORPORATION
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

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 certified and uncertified 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 Principal, Assistant Principal, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, 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).

**HYNES CHARTER SCHOOL CORPORATION
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

Schedule 7 - Louisiana Educational Assessment Program (LEAP)/PARCC

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 Examination (GEE)

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

Schedule 9 - Integrated Louisiana Educational Assessment Program (iLEAP)/PARCC

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.

**HYNES CHARTER SCHOOL CORPORATION
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2016
SCHEDULE 1**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$	2,681,308
Other Instructional Staff Activities		963,865
Employee Benefits		1,474,144
Purchased Professional and Technical Services		97,938
Instructional Materials and Supplies		226,075
Instructional Equipment		47,979
Total Teacher and Student Interaction Activities		5,491,310
Other Instructional Activities		115,520
		115,520
Pupil Support Services		185,239
Less: Equipment for Pupil Support Services		-
Net Pupil Support Services		185,239
Instructional Staff Services		-
Less: Equipment for Instructional Staff Services		-
Net Instructional Staff Services		-
School Administration		1,360,834
Less: Equipment for School Administration		-
Net School Administration		1,360,834
Total General Fund Instructional Expenditures	\$	7,152,902
Total General Fund Equipment Expenditures	\$	-
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		-
Total Local Taxation Revenue	\$	-

(Continued)

See independent accountants' report on applying agreed-upon procedures.

**HYNES CHARTER SCHOOL CORPORATION
 GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
 AND CERTAIN LOCAL REVENUE SOURCES
 FOR THE YEAR ENDED JUNE 30, 2017
 SCHEDULE 1**

Certain Local Revenue Sources (Continued):

Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$	-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue	\$	-
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Nonpublic Transportation Revenue	\$	-
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(Concluded)

**HYNES CHARTER SCHOOL CORPORATION
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 2**

As of October 1, 2016

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	29	64.44%	2	66.67%	-	-	-	-
Master's Degree	16	35.56%	1	33.33%	1	50.00%	-	-
Master's Degree + 30	-	-	-	-	1	50.00%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	45	100.00%	3	100.00%	2	100.00%	-	-

See independent accountants' report on applying agreed-upon procedures.

**HYNES CHARTER SCHOOL CORPORATION
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 3**

As of October 1, 2016

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

See independent accountants' report on applying agreed-upon procedures.

**HYNES CHARTER SCHOOL CORPORATION
 EXPERIENCE OF PUBLIC PRINCIPAL, ASSISTANT PRINCIPAL,
 AND FULL-TIME CLASSROOM TEACHERS
 FOR THE YEAR ENDED JUNE 30, 2017
 SCHEDULE 4**

As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	1	-	-	1
Principals	-	-	-	-	-	-	1	1
Classroom Teachers	10	9	15	1	6	-	7	48
Total	10	9	15	1	7	-	8	50

See independent accountants' report on applying agreed-upon procedures.

**HYNES CHARTER SCHOOL CORPORATION
PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 5**

For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$53,341	\$53,540
Average Classroom Teachers Salary Excluding Extra Compensation	\$53,011	\$53,203
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	51.45	50.45

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

HYNES CHARTER SCHOOL CORPORATION
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 6

As of October 1, 2016

	Class Size Range							
	1-20		21-26		27-33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	28%	39	42%	59	30%	42	0%	-
Elementary Activity Classes	32%	50	30%	47	32%	51	6%	9
Middle / Jr. High	-	-	-	-	-	-	-	-
Middle / Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

HYNES CHARTER SCHOOL CORPORATION
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)/PARCC
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 7

For the Years Ended June 30:

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students						
Advanced	12%	8%	7%	12%	25%	12%
Mastery	47%	54%	62%	53%	59%	42%
Basic	22%	30%	21%	16%	16%	33%
Approaching Basic	13%	4%	9%	15%	0%	12%
Unsatisfactory	6%	4%	1%	4%	0%	0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students						
Advanced	19%	24%	10%	8%	19%	1%
Mastery	55%	51%	67%	64%	41%	56%
Basic	21%	17%	18%	27%	28%	35%
Approaching Basic	5%	8%	4%	1%	11%	7%
Unsatisfactory	0%	0%	1%	0%	1%	1%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students						
Advanced	0%	7%	1%	1%	0%	1%
Mastery	57%	61%	40%	30%	40%	21%
Basic	28%	25%	43%	42%	39%	37%
Approaching Basic	10%	6%	15%	26%	17%	40%
Unsatisfactory	5%	1%	1%	1%	4%	1%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students						
Advanced	24%	5%	7%	4%	9%	4%
Mastery	51%	48%	59%	43%	25%	30%
Basic	19%	42%	33%	35%	50%	52%
Approaching Basic	5%	5%	0%	14%	13%	14%
Unsatisfactory	1%	0%	1%	4%	3%	0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students						
Advanced	21%	23%	14%	4%	1%	5%
Mastery	62%	45%	46%	31%	36%	35%
Basic	13%	23%	27%	41%	36%	45%
Approaching Basic	3%	8%	9%	21%	24%	14%
Unsatisfactory	1%	1%	4%	3%	3%	1%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students						
Advanced	21%	23%	8%	N/A	7%	3%
Mastery	49%	59%	56%	N/A	39%	49%
Basic	24%	10%	25%	N/A	41%	27%
Approaching Basic	5%	7%	10%	N/A	10%	17%
Unsatisfactory	1%	1%	1%	N/A	3%	4%

Note: During fiscal year 2017, the School did not Grade 8 students in Mathematics.

See independent accountants' report on applying agreed-upon procedures.



**HYNES CHARTER SCHOOL CORPORATION
GRADUATION EXIT EXAM (GEE)
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 8**

Not applicable: GEE is no longer administered.

HYNES CHARTER SCHOOL CORPORATION
INTEGRATED LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (iLEAP)/PARCC
FOR THE YEAR ENDED JUNE 30, 2017
SCHEDULE 9

For the Years Ended June 30:

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students						
Advanced	14%	13%	9%	14%	N/A	5%
Mastery	27%	37%	34%	29%	N/A	32%
Basic	38%	41%	48%	31%	N/A	55%
Approaching Basic	13%	8%	8%	18%	N/A	5%
Unsatisfactory	8%	1%	1%	8%	N/A	3%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students						
Advanced	7%	7%	15%	13%	N/A	1%
Mastery	21%	22%	28%	35%	N/A	27%
Basic	59%	59%	39%	37%	N/A	65%
Approaching Basic	12%	12%	12%	12%	N/A	4%
Unsatisfactory	1%	0%	6%	3%	N/A	3%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students						
Advanced	3%	3%	1%	4%	N/A	3%
Mastery	30%	24%	16%	27%	N/A	15%
Basic	52%	60%	57%	38%	N/A	69%
Approaching Basic	11%	8%	19%	21%	N/A	12%
Unsatisfactory	4%	5%	7%	10%	N/A	1%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students						
Advanced	13%	9%	12%	22%	N/A	23%
Mastery	33%	25%	22%	28%	N/A	23%
Basic	46%	54%	54%	37%	N/A	47%
Approaching Basic	5%	8%	9%	11%	N/A	6%
Unsatisfactory	3%	4%	3%	2%	N/A	1%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students						
Advanced	10%	12%	10%	19%	N/A	21%
Mastery	36%	43%	37%	41%	N/A	37%
Basic	40%	34%	40%	31%	N/A	36%
Approaching Basic	13%	7%	10%	8%	N/A	3%
Unsatisfactory	1%	4%	3%	1%	N/A	3%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students						
Advanced	3%	4%	15%	29%	N/A	14%
Mastery	36%	37%	28%	38%	N/A	43%
Basic	45%	53%	39%	24%	N/A	36%
Approaching Basic	15%	6%	12%	7%	N/A	6%
Unsatisfactory	1%	0%	6%	2%	N/A	1%

Note: During fiscal year 2016 the State of Louisiana did not assess elementary students in Social Studies. Fiscal year 2016 was a field testing year for Louisiana.

See independent accountants' report on applying agreed-upon procedures.

Hynes Charter School Corporation

AGREED-UPON PROCEDURES REPORT

June 30, 2017



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Hynes Charter School Corporation
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Hynes Charter School Corporation (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 period July 1, 2016 through June 30, 2017. The School's management is responsible for those C/C areas identified in the SAUPs.

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*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The required procedures and our findings are as follows:

Written Policies and Procedures

1. Obtain the School's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: Policy appears to appropriately address the required elements above.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above.

- d) **Receipts**, including receiving, recording, and preparing deposits

Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: Policy appears to appropriately address the required elements above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Results: Not applicable as the School is a nonprofit entity.

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

Results: Not applicable as the School is a nonprofit entity.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Results: The articles and bylaws of the School state the Board will meet at least quarterly. The Board met nine (9) times during the fiscal period with a quorum.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Results: Based on a review of the Board minutes for the nine (9) scheduled meetings held, budget to actual financials were presented to the Board except for the September 26, 2016 meeting.

Management's Response: In lieu of a budget to actual comparison, the financial discussion included the independent auditor's formal presentation to the board of the FY 2016 audit. In the future, management will ensure that budget-to-actual comparison information is presented at all Board meetings.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: We noted that Board minutes did reference or include non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: List and management's representation obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Results: We noted bank reconciliations for all months for all accounts during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Results: We noted that bank reconciliations include evidence that a member of management or board member reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: We noted no reconciling items outstanding for more than 6 months as of the end of the fiscal period.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: List obtained and management's representation obtained.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results: Each person was noted to not be responsible for depositing the cash in the bank, recording the transaction or reconciling the related bank account, and not required to share the same register/drawer/box with another employee. No employee was individually bonded.

Management's Response: While each employee is not individually bonded, the School maintains a blanket policy for crime and theft covering all employees.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Results: The entity does appear to have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Results: None noted. All deposits were noted to have been made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: None noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: The School appears to have a process specifically defined to determine completeness of all collections for each revenue source and agency fund addition by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management’s representation that the listing or general ledger population is complete.

Results: We obtained the list and management’s representation.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation

(e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Results: Supporting documentation appears appropriate.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Results: Based on the review of twenty-five (25) disbursements, the following exception was noted on 7 of the 25:

Michelle Douglas, Principal, either signed or approved a contract or proposal with the following vendors and also approved the payment to the vendor.

1. Playworks Education (payment on 9/21/16)
2. Republic Services # 8 payment on 2/20/17)
3. H&O Investments, LLC (payment on 4/18/17)
4. Scott L. Page (payment on 4/21/17)
5. Xerox Corporation (payment on 1/19/17)
6. WNOL-TV (payment on 1/5/17)
7. Gulf Coast Bank (payment on 12/8/16)

Management's Response: Management will modify internal control procedures to allow for another school administrator's signature when the principal has signed the original agreement or contract. Some of these contracts were originally signed in 2015 and are still active with reoccurring monthly payments. Additionally, the Gulf Coast Bank disbursement was for gift cards were presented to teachers and staff as a gift during the Holidays. Mrs. Douglas mentioned to the Board that she would like to do this, but the minutes do not reflect the discussion or approval by the Board.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: Based on the review of twenty-five (25) disbursements, no exceptions were noted:

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: We noted that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: We noted that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: We noted that persons with signatory authority do not have system access to print checks. We noted no other findings.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: Not applicable. No signature stamp or signature machine use was noted.

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

14. 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.

Results: We obtained the list and management's representation.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Results: For all selections, we noted that there was evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: For all selections, no finance charges or late fees assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Results: Two original receipts totaling \$171.37 from the Lowes Credit Card in March 2017 were not provided. Remainder of the requested original receipts provided.

Managements Response: The Lowes monthly credit card statement includes an itemized account of all purchases within the period it covers. Management uses this itemized account to review the monthly charges. Management confirmed that the purchases made on this receipt (fencing materials) were consistent with work completed around the school.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Results: Transactions tested appear to be within the Schools written policies.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Transactions tested appear to be for an appropriate business/public purpose.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained the listing and management's representation.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: None appear to exceed the GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Results: We noted that each expense tested was reimbursed or prepaid in accordance with the written policies of the School.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Results: We noted that each expense was supported by an original itemized receipt that identified precisely what was purchased, documentation of the business purpose, and other documentation as may be required by written policies of the School.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a

spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: None noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: None noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained the list and management's representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Results: Formal/written contracts were provided.

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Results: None of the top 5 vendors were subject to Louisiana Public Bid Law.

- Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Results: No contract amendments were noted.

- Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Results: For the payments selected, we noted that the invoice and related payment complied with the terms and conditions of the contract (where contracts existed).

- Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No board approval requirement noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Results: We obtained the list and management’s representation.

- Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Results: Payments appear to have been made in strict accordance with the terms and conditions of the employment contract.

- Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We noted no changes made to hourly pay rates/salaries during the fiscal period for the employees tested.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Results: All selected employees did document their daily attendance and leave.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: We noted written documentation that supervisors approved attendance and leave of the selected employees.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We noted appropriate written documentation that the entity maintained written leave records on those selected employees that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained a list and management's representation. The tested 'termination payments' were made in accordance with the policy and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We noted that employee and employer portions of payroll taxes and retirement contributions were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: Not applicable as the School is a nonprofit entity.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: Not applicable as the School is a nonprofit entity.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: Not applicable as the School is a nonprofit entity.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: Not applicable as the School is a nonprofit entity.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: Not applicable as the School is a nonprofit entity.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Management stated the School had no misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We noted appropriate posting of the notice for misappropriation, fraud, waste, or abuse of public funds on the School's website and on the premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions observed or identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Cam, Riggs & Ingram, L.L.C.

October 11, 2017