LEARNING SOLUTIONS, INC.
d/b/a VISION ACADEMY

Annual Financial Statements

As of and for the Year Ended June 30, 2018

ANTHONY B. BAGLIO, CPA
CERTIFIED PUBLIC ACCOUNTANT
A Professional Accounting Corporation
Hammond, Louisiana

LEARNING SOLUTIONS, INC.
d/b/a VISION ACADEMY
As of and for the Year Ended June 30, 2018

Table of Contents

This page intentionally left blank

ANTHONY B. BAGLIO, CPA
PRESIDENT

MEMBER
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

2011 Rue Simone
Hammond, La 70403

Hammond - (985) 542-4155
Hammond (Fax) - (985) 542-4186
Slidell - (985) 641-0630
www.baglio-cpa.com

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Learning Solutions, Inc. d/b/a Vision Academy
Monroe, Louisiana

Report on the Financial Statement
I have audited the accompanying financial statements of Learning Solutions, Inc. d/b/a Vision Academy (hereinafter "Vision Academy") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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*, those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Basis for Qualified Opinion
As explained in Note 10 to the financial statements, Learning Solutions, Inc. d/b/a Vision Academy did not consolidate its financial statements with its subsidiary Dream Academy, LLC as required by accounting principles generally accepted in the United States of America. Also as explained in Note 10 to the financial statements are the uncertain items due to the school closure on June 30, 2019. The effects to the accompanying financial statements of the above items has not been determined.

Learning Solutions, Inc. d/b/a Vision Academy
Monroe, Louisiana

Qualified Opinion
In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph the financial statements referred to above present fairly, in all material respects, the financial position of Vision Academy as of June 30, 2018, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, management has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958); this new standard requires changes to be made in how net assets are classified based on donor restrictions and has added multiple new disclosures. My opinion is not modified with respect to this matter.

Other Matter
Other Information
My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Board of Directors and Schedule of Compensation, Benefits and Other Payments to Agency Head, as required by Louisiana Revised Statue (LRS) 24:513 A (3) is presented for purpose 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 related 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 my 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*, I have also issued my report dated December 17, 2019, on my consideration of Vision Academy's internal control over financial reporting and on my test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Vision Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vision Academy's internal control over financial reporting and compliance.

Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

December 17, 2019

Learning Solutions, Inc.
d/b/a Vision Academy
Statement of Financial Position
June 30, 2018

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$	95,126
Investments		100,126
Due from Dream Academy		104,324
Total Current Assets		299,576
Property and Equipment, Net		43,247
Deposits		19,417
TOTAL ASSETS	$	362,240
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$	11,735
Credit Card Payable		365
Total Current Liabilities		12,100
LONG-TERM LIABILITIES		
Line of Credit		100,464
NET ASSETS		
Net Assets Without Donor Restrictions		249,676
Total Net Assets		249,676
TOTAL LIABILITIES AND NET ASSETS	$	362,240

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

Learning Solutions, Inc.
d/b/a Vision Academy
Statement of Activities
Year Ended June 30, 2018

	Without Donor Restrictions
SUPPORT AND REVENUES	
State Public School Funds	$ 1,538,037
Interest	6,222
Other Revenues	22,400
Total Revenues and Other Support	1,566,659
EXPENSES	
Regular Programs	515,177
Special Education Programs	79,379
Other Instructional Programs	19,090
Special Programs	4,100
Professional Fees	8,000
Pupil Support Services	24,166
Instructional Staff Services	60,046
General Administration	52,179
School Administration	320,400
Business Services	149,138
Maintenance	93,511
Student Transportation Services	126,439
Food Services	79,414
Facility Rentals	268,617
Interest	5,381
Depreciation	23,040
Total Expenses	1,828,077
CHANGE IN NET ASSETS	(261,418)
NET ASSETS, BEGINNING OF YEAR	509,951
Prior Period Adjustment	1,143
NET ASSETS, END OF YEAR	$ 249,676

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

Learning Solutions, Inc.
d/b/a Vision Academy
Statement of Functional Expenses
Year Ended June 30, 2018

	PROGRAM EXPENSES		MANAGEMENT AND GENERAL		TOTAL	
EXPENSES:						
Regular Programs	$	515,177	$	-	$	515,177
Special Education Programs		79,379		-		79,379
Other Instructional Programs		19,090		-		19,090
Special Programs		4,100		-		4,100
Professional Fees		-		8,000		8,000
Pupil Support Services		24,166		-		24,166
Instructional Staff Services		60,046		-		60,046
General Administration		-		52,179		52,179
School Administration		153,352		167,048		320,400
Business Services		149,138		-		149,138
Maintenance		93,511		-		93,511
Student Transportation Services		126,439		-		126,439
Food Services		79,414		-		79,414
Facility Rentals		268,617		-		268,617
Interest		-		5,381		5,381
Depreciation		23,040		-		23,040
	$	1,595,469	$	232,608	$	1,828,077

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

Learning Solutions, Inc.
d/b/a Vision Academy
Statement of Cash Flows
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	$ (261,418)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities:	
Depreciation	23,040
Decrease in Receivables	37,960
Decrease in Prepaid Expenses	23,633
Increase in Other Assets	(99,233)
Decrease in Accounts Payable	(20,689)
Increase in Credit Card Payable	365
Net Cash (Used) by Operating Activities	(296,342)
Cash Flows from Investing Activities	
Decrease in Certificate of Deposit	241
Net Cash Provided by Investing Activities	241
Cash Flows from Financing Activities	
Line of Credit	100,464
Net Cash Provided by Financing Activities	100,464
Net Decrease in Cash and Cash Equivalents	(195,637)
Cash and Cash Equivalents, Beginning of Year	290,763
Cash and Cash Equivalents, End of Year	$ 95,126

SUPPLEMENTAL DISCLOSURES:	
Interest Paid	$ 5,381

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

Learning Solutions, Inc.
d/b/a Vision Academy
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Learning Solutions, Inc. d/b/a Vision Academy (a nonprofit organization), opened in Monroe, Louisiana in the Fall of 2014 as a Type 2 BESE approved charter school that is free to any student in the State of Louisiana. Vision Academy's Mission is to provide a robust learning environment that allows students to develop their potential, to prepare students for post-secondary education and/or the workforce, and to collaborate with community agencies, organizations, and institutions to meet student's needs.

Basis of Accounting

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

Classification of Net Assets

Net assets of Vision Academy are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of Vision Academy. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise are specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

All net assets of Vision Academy at June 30, 2018 were considered to be net assets without donor restrictions.

Learning Solutions, Inc.
d/b/a Vision Academy
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Use of Estimates

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

Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated, are allocated on the basis of estimates of time and effort. There were no such allocated expenses during the year ended June 30, 2018.

Income Taxes

Vision Academy is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Vision Academy believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Revenue Recognition

Revenues from governmental grants are recognized when allowable expenditures are made by Vision Academy. Funds received for specific purposes, but not yet expended, are recorded as deferred Revenue.

Minimum Foundation Program (MFP)

Vision Academy, as a Type 2 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at school. The amount of funding received is adjusted during the school year based on the February 1st student count and the results on any audit performed.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investment

Investment is a Certificate of Deposit at a local bank with an original maturity of one (1) year.

Property and Equipment

Property and equipment are presented in the financial statements on the basis of cost less allowances for depreciation. Vision Academy capitalizes all expenditures of depreciable assets where cost exceed $1,000 for individual items and fixed assets that in the aggregate are greater than $5,000. Deprecation is computed using the straight-line method and is provided over the following estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2018 was $23,040.

	Estimated Useful Lives
Furniture and Equipment	5 – 7 years
Leasehold Improvements	5 – 10 years

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are funds earned by Vision Academy to be used for the purpose for which they were acquired. Those agencies, however, have a reversionary interest in those funds, as well as any assets acquired with those funds. Since the charter agreement was not renewed, those funds and assets will transfer to the appropriate agency.

Concentration of Risk

The school received 98% of its revenues for the year ended June 30, 2018, from the State of Louisiana, subject to its charter agreement with the State.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be recovered. The school periodically maintains cash in one financial institution location in northern Louisiana in excess of insured limits. Vision Academy has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Future Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 is effective for nonpublic organizations for annual reporting periods beginning after December 15, 2018, though early adoption is permitted.

The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. ASU 2016-02 is effective for the financial statement issued for annual periods beginning after December 15, 2019.

In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retroactive approach ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

Learning Solutions, Inc.
d/b/a Vision Academy
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

New Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which resulted in no reclassification of net assets.

Note 2 – Cash

Vision Academy's cash (book balances) at June 30, 2018, was $95,126 which is stated at cost and approximates market.

Note 3 – Due from Related Party

Vision Academy pledged public funds to secure a revolving line of credit to open a daycare/pre-K school owned by Learning Solutions, Inc. subsidiary, Dream Academy, LLC. As of June 30, 2018, Dream Academy, LLC owes Vision Academy the amount of $104,324.

Note 4 – Property and Equipment

Property and equipment consisted of the following as of June 30, 2018:

Leasehold improvements	$ 32,580
Furniture and equipment	96,236
	128,816
Accumulated depreciation	(85,569)
Total	$ 43,247

Note 5 – Line of Credit

On November 3, 2016, Vision Academy established $100,000 revolving line of credit that was pledged against their certificate of deposit. Both the certificate of deposit and the line of credit were for twelve-month terms. This line of credit was renewed on December 22, 2017, and subsequently moved to First National Bank as a loan on November 14, 2018. The balance on this loan as of June 30, 2018 was $100,464. This money was used by Dream Academy, LLC (see Note 3 above).

Note 6 – Operating Leases

On July 1, 2014, Vision Academy entered into a lease agreement for the use of two school buses. Annual payments under this agreement are $35,000 and the term is five (5) years from the effective date.

Beginning September 2014, Vision Academy entered into a lease agreement with DCH Properties, LLC for the use of school facilities effective September 1, 2014. The term of the agreement is 10 years from the effective date. Annual payments under this lease total $198,000. The agreement required Vision Academy to provide a security deposit equal to one monthly payment of $16,500.

On July 20, 2015, Vision Academy executed an amendment to lease additional space for modular classroom buildings. Annual payments under the amendment total $35,000, with the same expiration date as the original agreement.

On February 22, 2016, Vision Academy entered into a lease for an offsite administration office. The terms of the lease are 12 months beginning March 2, 2016. The payments under this lease total to $8,400 for the year ended June 30, 2017. The lease has been renewed yearly.

Future minimum commitments under the operating lease agreements based on the original leases.

For Year Ended June 30,	
2019	$ 276,400
2020	268,000
2021	268,000
2022	268,000
2023	238,833
Thereafter	271,833
Total	$ 1,591,066

Vision Academy ceased operations on June 30, 2019. It is not known if the school would be liable for the future lease payments.

Note 7 – Subsequent Events

At June 30, 2019, Learning Solutions, Inc. d/b/a Vision Academy ceased operations.

Note 8 – Prior Period Adjustment

The financial statements of the prior period ending June 30, 2017, failed to disclose a loan taken out under the organization's name in the amount of $100,254 and receivable from a related party of $101,397. The correction of this error increased opening net assets by $1,143 for bank charges that were incorrectly recorded. This adjustment is reflected on the Statements of Activities and Changes in Net Assets (See Notes 3 & 5).

Note 9 - Compliance with Laws

Learning Solutions, Inc. d/b/a Vision Academy did not file its audit report within six (6) months after the close of the fiscal year. In addition, the organization may have improperly used state Minimum Foundation Programs (MFP) funds to obtain a line of credit to open Dream Academy, LLC, (a Pre-K school) a subsidiary of Learning Solutions, Inc.

Note 10 – Basis for Qualified Opinion

Dream Academy, LLC consolidation with Learning Solutions, Inc.

Dream Academy, LLC was formed in November 2016 as a pre-K program and as a subsidiary of Learning Solutions, Inc. At the time of the audit of Learning Solutions, Inc., the accounting records for Dream Academy, LLC were not available. Since Dream Academy, LLC is a subsidiary of Learning Solutions, Inc., accounting principles generally accepted in the United States of America would require Dream Academy, LLC's accounting records be consolidated with Learning Solutions, Inc.

Uncertain items due to school closure on June 30, 2019

(1) Any unfulfilled contracts, if any.

(2) Lease contracts that have not matured.

(3) Any legal action to the school, since the Attorney-Client privilege was not waived.

(4) Any unpaid bills, if any.

(5) Any other items I was not made aware of since the school closed.

The effects to the accompanying financial statements of the failure to consolidate Dream Academy, LLC's accounting records and the uncertain items due to school closure on June 30, 2019 has not been determined.

OTHER SUPPLEMENTAL INFORMATION

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Board of Directors
Year Ended June 30, 2018

Board Members	Compensation
Chanda Ford	$ -0-
Akira Black	$ -0-
Charles Belton	$ -0-
Frankie Miller	$ -0-
Jakyrannee Phillips	$ -0-
Bria Savage	$ -0-
Stephanie Wesley	$ -0-

See Independent Auditor's report.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Year Ended June 30, 2018

Agency Head Name: Latoya Jackson, Chief Executive Officer

Purpose	Compensation Received
Salary	$ 152,154
Vacation	3,138
Stipend	3,600
Social Security and Medicare (match paid by agency)	7,358
Total	$ 166,250

REPORTS AND SCHEDULES REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

ANTHONY B. BAGLIO, CPA
PRESIDENT

MEMBER
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

2011 Rue Simone
Hammond, La 70403

Hammond - (985) 542-4155
Hammond (Fax) - (985) 542-4186
Slidell - (985) 641-0630
www.baglio-cpa.com

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

December 17, 2019

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

To the Board of Directors of
Learning Solutions, Inc. d/b/a Vision Academy
Monroe, Louisiana

I 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 Learning Solutions, Inc. d/b/a Vision Academy (hereafter "Vision Academy") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 17, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Vision Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vision Academy's internal control. Accordingly, I do not express an opinion on the effectiveness of Vision 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 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.

Board of Directors
Learning Solutions, Inc. d/b/a Vision Academy
Monroe, Louisiana

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of current year audit findings as items 2018-01, 2018-02, and 2018-03 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vision Academy's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings as items 2018-04 and 2018-05.

Learning Solutions, Inc. d/b/a Vision Academy's Response to Findings

Vision Academy's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Vision Academy's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

December 17, 2019

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

SECTION I – SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Learning Solutions, Inc. d/b/a Vision Academy as of and for the year ended June 30, 2018, and have issued my report thereon dated December 17, 2019. I conducted my 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. My audit of the financial statements as of June 30, 2018 resulted in a qualified opinion.

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses identified?	X Yes	___ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X No

Compliance

Noncompliance material to financial statement noted?	X Yes	___ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements which are required to be reported in accordance with GAGAS.

My audit of the financial statement as of June 30, 2018 resulted in a qualified opinion.
See note 10 to the financial statement.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Internal Control

2018-01 Payroll

Criteria

Payroll source documents (time cards) should be checked and verified by a supervisor to determine if the correct hours are entered and work performed.

Condition

54 payroll checks were examined during the audit period. Time cards could not be found for 9 of the employees to verify if the proper amount was paid. On 17 of the checks reviewed, the number of hours worked could not be determined or the hours did not match the pay check based on the time cards. 5 of the employees were paid and recorded in the payroll register. 3 of the 5 were paid with cashier's checks, the other 2 could not determine the method of payment. No detail in the general ledger to trace posting of these checks.

Cause

Controls were not in effect to be sure time cards matched payroll checks issued.

Effect

Some employees could have been paid the incorrect amount.

Recommendation

All time cards should be reviewed and then approved by a supervisor before being sent to the payroll company who processes the payroll.

Management's Corrective Action Plan

The organization closed on June 30, 2019.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Internal Control

2018-02 Accounting Function of the Organization

Criteria

The organization should have someone in the organization with accounting skills to make sure all accounting functions are done properly and on time.

Condition

During the audit period, Vision Academy contracted multiple accountants to take care of their accounting records and other accounting and compliance matters. By changing accountants, the new accountants had to redo accounting records which caused delays in preparing the financial statements. Vision Academy also did not have the personnel to work with the contracted accountants to give them information needed to process the accounting records.

Cause

Due to the turnover in accountants contracted with Vision Academy, and not having the personnel to work with the outside accountants, delays occurred in the preparation of Vision Academy's financial statements.

Effect

Audit completion date was delayed well after the six-month closing date of the fiscal year. Accounting records were not available for review by management.

Recommendation

Organization should have someone with suitable skills, knowledge, and experience overseeing the accounting functions provided by the contracted accountants.

Management's Corrective Action Plan

The organization closed on June 30, 2019.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Internal Control

2018-03 Accounting Issues

Criteria

Accounting records should have adequate detail in the general ledger. Individual transactions should be recorded rather than totals of transactions. This is needed to determine if items are classified correctly.

Condition

General ledgers were not available for the entire period to determine if amount were classified correctly. In many cases totals were used to classify items rather than individual items.

Cause

Vision Academy did not have the accounting personnel to work with the outside accountants to make sure the accounting functions were done properly.

Effect

Could cause errors and misclassification in the accounting records.

Recommendation

Organization should have someone with suitable skills, knowledge, and experience overseeing the accounting functions provided by the contracted accountants.

Management's Corrective Action Plan

The organization closed on June 30, 2019.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Compliance

2018-04 Timely Submission of Audit Report

Criteria

The audited financial statements are due to the Louisiana Legislative Auditor's office in a prescribed period of six (6) months after the close of the entity's fiscal year end.

- LRS 24:513 (A) (5)(a)(i) reads *"The Louisiana Governmental Audit Guide is a standard for audits and reviews of auditees within Louisiana and shall be produced by the society and the legislative auditor, with input from the Louisiana Municipal Association, the Louisiana Police Jury Association, the Louisiana School Board Association, and any other interested parties. Such audits shall be completed within six months of the close of the entity's fiscal year."*
- The Louisiana Governmental Audit Guide requires, "*Compilation, review/attestation, and audit engagements must be completed within six months of the close of the fiscal year. The requirements for the timely completion of the engagement makes engagement planning very important. When reports are issued after the six month statutory issue date the Legislative Auditor requires the auditor to report, as a matter of noncompliance, the failure of the agency to comply with the state audit law, together with a full explanation of the events leading to the noncompliance (whether a part of a compilation review/attestation, or audit report).*"

Condition

Vision Academy did not file the June 30, 2018 audited financial statements within six (6) months of the close of the fiscal year.

Cause

The cause of this condition was changing accounting firms to do accounting work and not having the personnel to work with the accounting firms.

Effect

Failure of Vision Academy to adhere to the requirements of the LSR 24:514 and the Louisiana Governmental Audit Guide's provisions of timely submission of Vision Academy's audited financial statements to the Louisiana Legislative Auditor results in noncompliance with the state audit law and LRS 24:513.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Recommendation

I recommend that Vision Academy review the provisions of LSR 24:513 and the Louisiana Governmental Audit Guide and become familiar with the fiscal audit deadline and submission requirements.

Management's Corrective Action Plan

The organization closed on June 30, 2019.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Schedule of Current Year Audit Findings
As of and for the Year Ended June 30, 2018

Compliance

2018-05 Organization may have improperly used state Minimum Foundation Programs (MFP) funds to obtain a line of credit to open Dream Academy, LLC, a pre-K school, and subsidiary of Learning Solutions, Inc.

Criteria

Vision Academy may have improperly used state Minimum Foundation Program (MFP) funds to obtain a line of credit to open Dream Academy, LLC, a pre-K school. Vision Academy received the MFP allocations because Vision Academy was a Type 2 charter school.

Condition

The organization used $100,000 in MFP funds to buy a certificate of deposit (CD) and then pledged the CD as collateral to obtain $100,000 line of credit to pay expenses to open Dream Academy, LLC, a subsidiary of Vision Academy. They may have violated the state constitution and state law.

Cause

The organization did not consult with their funding source before obtaining the loan.

Effect

By pledging public funds as collateral for a loan that was used to open Dream Academy, LLC and failing to remit public funds used as collateral upon termination of Vision Academy's charter, Vision Academy's board members and officers participating in the decision-making process may have violated the Louisiana Constitution Article VII, Section 14(A). This states that, "Prohibited Uses, except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

Recommendation

I recommend that Vision Academy contact the Department of Education to determine the appropriate steps to resolve the matter.

Management's Corrective Action Plan

Vision Academy is working to resolve this matter.

Learning Solutions, Inc.
d/b/a Vision Academy
Monroe, Louisiana

Status of Prior Year Audit Findings

Year Ended June 30, 2018

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Management's Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Material to the Financial Statements:				
Internal Control 2017-01		Overpayment of Leases	Corrected	The organization closed on June 30, 2019.
		Incorrect Employee Health Insurance Withholdings	Unable to Determine	The organization closed on June 30, 2019.
		Paying Two Companies for Supplemental Insurance	Unable to Determine	The organization closed on June 30, 2019.
		Health Insurance Not Paid on Time	Unable to Determine	The organization closed on June 30, 2019.
		Terminated Employees Were Not Removed from Insurance	Unable to Determine	The organization closed on June 30, 2019.
		Late Fees on Credit Cards	Corrected	The organization closed on June 30, 2019.
Compliance 2017-02		Timely Submission of Audit Report	Not Corrected	The organization closed on June 30, 2019.

Section II- Internal Control and Compliance Material to the Federal Awards

No Findings for Section II

Section III – Management Letter

No Findings for Section III