

**WARREN EASTON SENIOR HIGH
SCHOOL FOUNDATION, INC.**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016



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WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
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JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Warren Easton Senior High School Foundation, Inc. (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, functional expenses, 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 School'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 School'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 the School 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of Compensation, Benefits, and Other Payments to Agency Head required under Louisiana Revised Statute 24:513A(3) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2017, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

October 10, 2017

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

<i>As of June 30,</i>	<i>2017</i>	<i>2016</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,065,163	\$ 12,245,437
Cash restricted for student activities	158,147	157,118
Grants receivable	1,129,924	452,033
Accounts receivable	4,527	2,614
Inventory	5,017	5,017
Prepaid expenses	126,602	4,880
Total current assets	13,489,380	12,867,099
PROPERTY AND EQUIPMENT, net	752,983	752,995
TOTAL ASSETS	\$ 14,242,363	\$ 13,620,094
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 377,374	\$ 474,456
Deferred revenue	32,265	88,606
TOTAL LIABILITIES	409,639	563,062
NET ASSETS		
Unrestricted		
Undesignated	11,944,883	11,208,767
Board designated	1,619,737	1,619,737
Total unrestricted net assets	13,564,620	12,828,504
Temporarily restricted	268,104	228,528
TOTAL NET ASSETS	13,832,724	13,057,032
TOTAL LIABILITIES AND NET ASSETS	\$ 14,242,363	\$ 13,620,094

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

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF ACTIVITIES**

<i>For the Year Ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 72,606	\$ 535,937	\$ 608,543
Grants			
Federal	1,045,303	-	1,045,303
State	15,760	-	15,760
Other	72,635	-	72,635
Local Minimum Foundation Program	5,295,584	-	5,295,584
State Minimum Foundation Program	4,350,063	-	4,350,063
Student activity fees	423,557	260,891	684,448
Interest income	33,052	-	33,052
Other revenues	35,948	-	35,948
Net assets released from restrictions	757,252	(757,252)	-
Total revenues and other support	12,101,760	39,576	12,141,336
EXPENSES			
Program	9,646,318	-	9,646,318
Management and general	1,484,433	-	1,484,433
Fundraising	234,893	-	234,893
Total expenses	11,365,644	-	11,365,644
CHANGES IN NET ASSETS	736,116	39,576	775,692
NET ASSETS - Beginning of year	12,828,504	228,528	13,057,032
NET ASSETS - End of year	\$ 13,564,620	\$ 268,104	\$ 13,832,724

The accompanying notes are an integral part of this financial statement.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF ACTIVITIES

<i>For the Year Ended June 30, 2016</i>	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 29,479	\$ 375,862	\$ 405,341
Grants			
Federal	786,015	-	786,015
State	14,808	-	14,808
Other	29,638	-	29,638
Local Minimum Foundation Program	5,212,320	-	5,212,320
State Minimum Foundation Program	4,451,056	-	4,451,056
Student activity fees	628,868	215,120	843,988
Interest income	1,700	-	1,700
Other revenues	179,994	-	179,994
Net assets released from restrictions	534,842	(534,842)	-
Total revenues and other support	11,868,720	56,140	11,924,860
EXPENSES			
Program	9,580,471	-	9,580,471
Management and general	1,418,802	-	1,418,802
Fundraising	194,536	-	194,536
Total expenses	11,193,809	-	11,193,809
CHANGES IN NET ASSETS	674,911	56,140	731,051
NET ASSETS - Beginning of year	12,153,593	172,388	12,325,981
NET ASSETS - End of year	\$ 12,828,504	\$ 228,528	\$ 13,057,032

The accompanying notes are an integral part of this financial statement.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

<i>For the year ended June 30, 2017</i>	Program Services	Management & General	Fund- Raising	Totals
Salaries	\$ 4,569,169	\$ 543,762	\$ 106,787	\$ 5,219,718
Employee benefits	1,741,874	207,295	40,710	1,989,879
2% admin fee	168,655	18,739	-	187,394
Depreciation	-	40,002	-	40,002
Donations	-	-	42,022	42,022
Equipment rental	-	15,971	-	15,971
Food services	13,595	1,511	-	15,106
Insurance	-	124,720	-	124,720
Other expenses	11,895	180,405	5,947	198,247
Other services	-	55,260	-	55,260
Professional services	204,091	204,091	-	408,182
Repairs and maintenance	306,453	16,129	-	322,582
Shared services	107,249	11,917	-	119,166
Student activity	710,629	-	-	710,629
Supplies:	-	-	-	
Instructional	135,947	12,084	3,021	151,052
Other	409,569	9,102	36,406	455,077
Transportation	933,486	-	-	933,486
Travel	28,583	33,554	-	62,137
Usage fee	89,022	9,891	-	98,913
Utilities	216,101	-	-	216,101
Total expenses	\$ 9,646,318	\$ 1,484,433	\$ 234,893	\$ 11,365,644

The accompanying notes are an integral part of this financial statement.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

<i>For the year ended June 30, 2016</i>	Program Services	Management & General	Fund- Raising	Totals
Salaries	\$ 4,333,624	\$ 515,731	\$ 101,282	\$ 4,950,637
Employee benefits	1,660,501	197,611	38,808	1,896,920
2% admin fee	167,874	18,653	-	186,527
Depreciation	-	52,845	-	52,845
Donations	-	-	8,269	8,269
Equipment rental	-	17,131	-	17,131
Food services	26,892	2,988	-	29,880
Insurance	-	106,158	-	106,158
Other expenses	10,377	157,389	5,189	172,955
Other services	-	47,775	-	47,775
Professional services	202,506	202,505	-	405,011
Repairs and maintenance	357,674	18,825	-	376,499
Shared services	111,108	12,345	-	123,453
Student activity	873,181	-	-	873,181
Supplies:				
Instructional	222,883	19,812	4,953	247,648
Other	405,397	9,009	36,035	450,441
Transportation	929,015	-	-	929,015
Travel	27,387	32,150	-	59,537
Usage fee	70,878	7,875	-	78,753
Utilities	181,174	-	-	181,174
Total expenses	\$ 9,580,471	\$ 1,418,802	\$ 194,536	\$ 11,193,809

The accompanying notes are an integral part of this financial statement.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENTS OF CASH FLOWS**

<i>For the Years Ended June 30,</i>	<i>2017</i>	<i>2016</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 775,692	\$ 731,051
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	40,002	52,845
Changes in operating assets and liabilities:		
Cash restricted for student activities	(1,029)	29,193
Grants receivable	(677,891)	(93,769)
Accounts receivable	(1,913)	142,526
Inventory	-	-
Prepaid expenses	(121,722)	215,943
Accounts payable and accrued expenses	(97,082)	(131,357)
Deferred revenue	(56,341)	88,606
Net cash (used) provided by operating activities	(140,284)	1,035,038
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(39,990)	(21,210)
Net cash used in investing activities	(39,990)	(21,210)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(180,274)	1,013,828
CASH AND CASH EQUIVALENTS - Beginning of year	12,245,437	11,231,609
CASH AND CASH EQUIVALENTS - End of year	\$ 12,065,163	\$ 12,245,437

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



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Warren Easton Senior High School Foundation, Inc. d/b/a Warren Easton Charter High School (the School), incorporated on March 21, 2006, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods and a variety of governance, management, and administrative structures, be more thoroughly accountable for educational results, and create new professional opportunities for teachers and other employees.

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 (FASB) 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 – Net assets not subject to donor-imposed restrictions. A portion of unrestricted net assets are designated amounts set aside by the board of directors.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that will be met by the actions of the School or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. For the years ended June 30, 2017 and 2016, there were no permanently restricted net assets.

Use of Estimates

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



WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consisted of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from amounts received from individuals or entities who stated specific use of the contribution.

The School classifies all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Grants and Accounts Receivable

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

Inventory

Inventory consisted of items that are sold at the School's store, The Eagles' Nest. Items sold at the store include sweaters, T-shirts, socks, school supplies, etc. Inventory is valued at cost under the FIFO method of accounting.

Property and Equipment

Property and 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 value as of the date received. Improvements over \$5,000 that have a useful life greater than one year 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 property and equipment is depreciated using the straight-line method over the assets' estimated useful life (7-40 years for leasehold improvements and 3-36 years for equipment).

Contributions and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is recognized as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Revenue Recognition (Continued)

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the School, or when earned under the terms of the grants.

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. There was no in-kind support that met the recognition criteria under FASB ASC 958, as such, there was no in-kind support recorded for the years ended June 30, 2017 and 2016.

Income Taxes

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to federal or state income tax unless the School has unrelated trade or business income. Management believes there are no uncertain tax positions or unrelated trade or business income included in the financial statements.

Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals that would benefit a subsequent year.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services, based on actual amounts or management's best estimate.



WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

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.

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230). The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. This ASU is effective for fiscal periods beginning after December 15, 2018, 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.

NOTE 2 – RESTRICTION ON ASSETS

Board designated unrestricted net assets were designated by resolution of the Board in 2008 in the amount of \$2,500,000. The Board uses these funds to cover facilities costs as the Board determines appropriate. There were no covered facilities costs in the years ended June 30, 2017 and 2016.

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made or when time restriction is met.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – RESTRICTION ON ASSETS (CONTINUED)

Temporarily restricted net assets at June 30, 2017 and 2016 were for the following purposes:

	2017	2016
Student activities funds	\$ 163,235	\$ 157,118
Wellness	30,221	30,221
Academic enhancements	30,000	15,000
Hall of Fame Scholarships	2,761	
Library books and other	41,887	26,189
Total temporarily restricted net assets	\$ 268,104	\$ 228,528

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The School maintains cash deposits in several accounts at one financial institution. These accounts, except for the sweep account, are insured by the Federal Deposit Insurance Commission (FDIC) up to \$250,000. At June 30, 2017 and 2016, the School had cash balances, excluding the sweep account, in excess of the FDIC insured limit totaling \$8,217,899 and \$170,093, respectively. The sweep account, which had a cash balance of \$4,080,823 and \$12,751,228 at June 30, 2017 and 2016, respectively, consisted of a Federated Investors Government Obligations Money Market Fund that is not FDIC insured. The fund is completely invested in U.S. government obligations with short-term maturities, which do not require collateralization. The School believes that maintaining cash in this account reduces credit risk that would result from cash otherwise being maintained in accounts with balances exceeding FDIC insured limit.

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 44% and 44%, respectively, of its total revenue from Local sources.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	2017	2016
Leasehold improvements	\$ 913,346	\$ 913,346
Equipment	1,546,091	1,506,101
Total	2,459,437	2,419,447
Accumulated depreciation	(1,706,454)	(1,666,452)
Total property and equipment, net	\$ 752,983	\$ 752,995

Depreciation expense for the years ended June 30, 2017 and 2016 totaled \$40,002 and \$52,845, respectively.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2017 and 2016, respectively:

	2017	2016
MFP funds receivable	\$ -	\$ -
Miscellaneous	4,527	2,614
Total	\$ 4,527	\$ 2,614

NOTE 6 – RETIREMENT PLAN

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of the annual covered payroll. For the years ended June 30, 2017 and 2016, the School is required to contribute 25.5% and 26.3%, respectively, each year of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee.

For the years ended June 30, 2017 and 2016, the School contributions to the plan totaled \$1,226,784 and \$1,226,224, respectively, and are included in employee benefits on the statements of functional expenses.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – GRANTS RECEIVABLE

Grants receivable were comprised of the following amounts as of June 30, 2017 and 2016:

	2017	2016
Louisiana Department of Education		
Title I	\$ 843,325	\$ 274,777
Title II	126,239	74,397
Idea B	84,486	51,491
Educational Excellent	15,760	-
21 st Century	-	51,368
Carl Perkins	60,114	-
Total grants receivable	\$ 1,129,924	\$ 452,003

NOTE 8 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2017 and 2016, the School had related party expenses totaling \$420,579 and \$418,613, respectively, with Orleans Parish School Board, the School's Local Educational Agency (LEA). Shared services, which are the IT services provided by the LEA, account for \$119,166 and \$123,453 of the related party expenses, for the years ended June 30, 2017 and 2016, respectively. As of June 30, 2017 and 2016, the School had accrued expense of \$260,691 and \$141,526 payable to the LEA related to the IT services provided during the years ended June 30, 2017 and 2016.

The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to Orleans Parish School Board. For the years ended June 30, 2017 and 2016, the School paid \$187,394 and \$186,527, respectively, in administrative fees to Orleans Parish School Board.

The LEA charges the School for property and flood insurance costs through annual usage fees, as further described in Note 9. For the years ended June 30, 2017 and 2016, the School paid annual usage fees to the OPSB of \$98,913 and \$78,753, respectively. The remaining expenses for 2017 and 2016 of \$15,106 and \$29,880, respectively, are for the food services provided by the LEA for meals at the School.

NOTE 9 – SCHOOL OPERATION/LEASEHOLD INTEREST

On July 1, 2011, the School's operating agreement renewal with the Orleans Parish School Board (OPSB) went into effect. This allows the School to use the facilities and contents located at 3019 Canal Street, New Orleans, LA 70119, or any other locations that may be approved by the School and the Orleans Parish School Board. This agreement expired on June 30, 2017. The agreement was renewed in June 2017 through June 30, 2026.



WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – SCHOOL OPERATION/LEASEHOLD INTEREST (CONTINUED)

For the years ended June 30, 2017 and 2016, the School paid annual usage fees to the OPSB of \$98,913 and \$78,753, respectively. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.

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 Orleans Parish School Board 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 rights to use computers and kitchen equipment that are owned by Orleans Parish School Board for no fee.

Use of the property and equipment is not recorded as an in-kind contribution from the Orleans Parish School Board 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 10 – COMMITMENTS

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

NOTE 11 – RISK MANAGEMENT

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2017 and 2016.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 10, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.



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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
Warren Easton Senior High School Foundation, Inc.
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 Warren Easton Senior High School Foundation, Inc. (the School) (a nonprofit organization), which comprises the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 10, 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 School'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.

Caru, Riggs & Ingram, L.L.C.

October 10, 2017



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

Report on Compliance for Major Federal Program

We have audited the Warren Easton Senior High School Foundation, Inc.'s (a nonprofit organization) (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2017. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiency. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 20017-002, that we consider to be control deficiencies.

The School's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carri Riggs & Ingram, L.L.C.

October 10, 2017

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30,

2017

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-through programs from:			
Louisiana Department of Education – Orleans Parish School Board			
Title I - Grants to Local Educational Agencies - Part A - Basic	84.010A	28-16-T1-36	\$ 798,525
Title II - Teacher & Principal Training & Recruitment Fund	84.367A	28-16-50-36	115,957
Career and Technical Education - Basic Grant	84.287		60,114
Special Education Cluster			
Special Education - Grants to States - IDEA Part B	84.027	28-16-B1-36	70,707
Total Special Education Cluster			70,707
Total U.S. Department of Education			1,045,303
Total expenditures of federal awards			\$ 1,045,303

See independent auditors' report.



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Warren Easton and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The School has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Warren Easton Senior High School Foundation, Inc. (a nonprofit organization) (the School).
2. No instances of noncompliance material to the financial statements of the School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No deficiencies in internal control over financial reporting considered to be material weaknesses or significant deficiencies were disclosed during the audit.
4. The *Independent Auditors' Report on Compliance for Major Program and on Internal Control Over Compliance Required by the Uniform Guidance* expresses an unmodified opinion on the major federal program.
5. Two findings required to be reported in accordance with the Uniform Guidance were disclosed during the audit.
6. No deficiencies in internal control over the major program considered to be material weaknesses or significant deficiencies were disclosed during the audit.
7. The program tested as a major program for the year ended June 30, 2017 was:

<u>Program Title</u>	<u>CFDA No.</u>
Title I Grants to Local Educational Agencies (LEAs)	84.010A

8. The threshold for distinguishing between Type A and Type B programs was \$750,000.
9. The School did not qualify as a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None noted.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL PROGRAM

2017-001: PROCUREMENT SUSPENSION AND DEBARMENT

Applicable Federal Award Programs: Title I – Grants to Local Educational Agencies

Condition and Criteria: As described in 2 CFR Part 200, Appendix XI, Compliance Supplement, Department of Education requires educational institutions to check for Suspended or Debarred vendors before recording federal expenditures to the vendors. After discussion with management, we noted that no control exists over this compliance requirement. Although no control exists, CRI noted through testing that the School was in compliance with this requirement and therefore there were no questioned costs.

Cause: The School has no control in place over the compliance requirement of Procurement, Suspension and Debarment.

Effect: Lack of controls over this compliance requirement may impact future compliance.

Recommendation: Management should design, implement, and document policies and procedures to review that vendors are not suspended or debarred prior to disbursing federal funds.

2017-002: TIMELY SUBMISSION OF DATA COLLECTION FORM

Condition and Criteria: The School is required to submit the audit package and data collection form to the Federal Audit Clearinghouse within a specified time period. Uniform Guidance 2 CFR 200.512(a) states that the audit package and data collection form shall be submitted 30 days after receipt of the auditors' report(s), or 9 months after the end of the fiscal year, whichever comes first.

Cause: The auditor typically begins the submission process for the School. However, a clerical oversight of the auditor resulted in late submission of the audit package and data collection form.

Effect: Late submission can result in withholding of federal pass-through funding to the auditee and precludes the auditee from being considered a low-risk auditee for the subsequent two (2) years.

Recommendation: We recommend the School ensure timely certification of submission to the Federal Audit Clearinghouse.

D. MANAGEMENT LETTER

Not applicable – no letter was issued.



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements noted for the year ended June 30, 2017.

C. FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

2017-001 PROCUREMENT SUSPENSION AND DEBARMENT

Planned Corrective Action: Management will design, implement, and document process to review vendors are not suspended or debarred prior to disbursing federal funds.

Anticipated Completion Date: December 31, 2017

Responsible Contact Person: Mike Greer, Controller

2017-002 TIMELY SUBMISSION OF DATA COLLECTION FORM

Planned Corrective Action: Management will ensure that the required Federal Audit Clearinghouse filing is completed timely.

Anticipated Completion Date: November 30, 2017

Responsible Contact Person: Mike Greer, Controller



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None noted.

B. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL PROGRAMS

None noted.

C. MANAGEMENT LETTER

Not applicable – no letter was issued.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

Agency Head Name: Alexina Medley, Principal

PURPOSE	AMOUNT
Salary	\$ 171,297
Benefits-health insurance	4,816
Benefits-retirement	43,681
Deferred compensation	-
Workers comp	856
Benefits-life insurance	-
Benefits-long term disability	501
Benefits-Fica and Medicare	2,455
Car allowance	-
Vehicle provided by government	-
Cell phone	1,329
Dues	502
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	954
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	-
Total	\$ 226,391

See independent auditors' report.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
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 Warren Easton Senior High School Foundation, Inc. (a nonprofit organization) (the School) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of the School is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

Findings: None 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 Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2016.

Findings: None noted.

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

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 determined that the individual's education level was properly classified on the schedule.

Findings: None noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

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 the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Findings: None noted.

Public School Staff Data: Average Salaries (Schedule 5)

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

Findings: None noted.

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

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 the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2016 roll books for those classes and determined that the class was properly classified on the schedule.

Finding: CRI noted that the maximum class size of 33 students was exceeded for one class in the current year. CRI also noted for one class tested that the class roll book reported 31 students while the schedule reported 30 students.

Management's Response: Only one Elective class exceeded the maximum 33 students count due to new JumpStart class offerings (redistribution of Dual Enrollment). This was corrected after October 1 report which brought the class size down below the threshold.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

Findings: As Warren Easton Senior High School Foundation is only grades 9-12, this schedule does not apply.

Graduation Exit Examination (GEE) (Schedule 8)

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

iLEAP Tests (Schedule 9)

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

Findings: As Warren Easton Senior High School Foundation is only grades 9-12, this schedule does not apply.

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 information and use of management of the School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

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

October 10, 2017

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 1: GENERAL FUND INSTRUCTIONAL AND SUPPORT
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2017

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 2,769,519	
Other Instructional Staff Activities	-	
Instructional Staff Employee Benefits	1,173,990	
Purchased Professional and Technical Services	140,021	
Instructional Materials and Supplies	318,766	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		4,402,296

Other Instructional Activities 167,538

Pupil Support Activities	520,026	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		520,026

Instructional Staff Services	444,715	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		444,715

School Administration	991,765	
Less: Equipment for School Administration	-	
Net School Administration		991,765

Total General Fund Instructional Expenditures \$ 6,526,340

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		<u>-</u>

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		<u>-</u>

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		<u>-</u>

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 2: EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
FOR THE YEAR ENDED JUNE 30, 2017

As of October 1, 2016

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	27	47%	-	-	-	-	-	-
Master's Degree	29	50%	-	-	2	67%	-	-
Master's Degree +30	2	3%	-	-	1	33%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	58	100%	-	-	3	100%	-	-

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

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 3: NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2017

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

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

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
 SCHEDULE 4: EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT
 PRINCIPALS, AND FULL-TIME CLASSROOM TEACHERS
 FOR THE YEAR ENDED JUNE 30, 2017**

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	2
Principals	-	-	-	-	-	-	1	1
Classroom Teachers	4	5	13	8	8	8	12	58
Total	4	5	13	8	8	9	14	61

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

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 5: PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES
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	\$46,964	\$52,442
Average Classroom Teacher's Salary Excluding Extra Compensation	\$46,943	\$52,420
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	61	59

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.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 6: CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2017

As of October 1, 2016

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	37%	155	31%	129	20%	83	0%	1
High Activity Classes	3%	14	2%	10	3%	13	2%	9
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.



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 7: LOUISIANA EDUCATIONAL
ASSESSMENT PROGRAM (LEAP)
FOR THE YEAR ENDED JUNE 30, 2017**

This schedule is not applicable to Warren Easton Senior High School Foundation, Inc.

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



**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 8: GRADUATION EXIT EXAMINATION (GEE)
FOR THE YEAR ENDED JUNE 30, 2017**

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



WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE 9: iLEAP Tests
FOR THE YEAR ENDED JUNE 30, 2017

This schedule is not applicable to Warren Easton Senior High School Foundation, Inc.

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

Warren Easton Charter High School Foundation, Inc.

STATEWIDE 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
Warren Easton Charter High School Foundation, Inc. and the
Louisiana Legislative Auditor
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Warren Easton Charter High School Foundation, Inc. (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 conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results 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 School does not have any written policies and procedures), as applicable:

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

Results: The 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: The policy appears to appropriately address the required elements above.

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

Results: The policy appears to appropriately address the required elements above.

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

Results: The policy does not include procedures for preparing deposits.

Management Response: Management will revise the existing policy to include procedures for preparing deposits.

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

Results: The 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: The policy does not include the (2) standard terms and conditions acceptable in contracts, (3) legal review of the contracts, or (5) the process to monitor the compliance with the contracts.

Management Response: Management will revise the existing policies for contracting to include the standard terms and conditions acceptable in contracts, legal review of the contracts, and the process to monitor the compliance with the contracts.

- 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: The 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: The 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 School'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 Board met ten (10) times during the fiscal period with a quorum, which meets the requirements in their By-Laws to meet at least eight (8) times a year.

- 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 School’s prior audit (GAAP-basis).

Results: One (1) of ten (10) meetings during the year did not include monthly budget-to-actual comparisons.

Management’s Response: As the School is closed the first two weeks of July and the Board meets on the third Wednesday of each month, there is not enough time to appropriately close the June financial records in time for the July meeting. Thus, the June and July financial budget-to-actual comparisons are discussed at the August meeting each year. This was appropriately evidenced in the Board minutes.

- 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: Not applicable as we did not note deficit spending during the fiscal period.

- 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 School 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 School'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 bank reconciliations include evidence that the Principal had 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: There was no documentation reflecting that management had researched reconciling items that had been outstanding for more than 6 months as of the end of the fiscal period.

Management Response: Management performs research of outstanding reconciling items greater than 6 months old on a regular basis, but does not document that review. Management will begin documenting their research.

Collections

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

Results: List and management's representation obtained.

6. Using the listing provided by management, select all of the School'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 responsible for collecting cash is not bonded.

Management Response: While each person responsible for collecting cash is not bonded, the School does have a general liability insurance policy that covers employee theft. Management believes this adequately mitigates the risk of not having a bond on each person responsible for collecting cash.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the School 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 School does 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.

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

- Using School 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: One (1) of three (3) deposits selected was noted to have been made nine (9) days after collection.

Management's Response: Management will design, implement, and document policies to ensure all deposits are made within one (1) day of receipt.

- 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 School has a process specifically defined (identified as such by the School) 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: While there are policies to determine the completeness of all collections by a person who is not responsible for collections, the policies are not written policies.

Management Response: Management will document written policies to specifically define how to determine the completeness of all collections 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 School disbursements from management or, alternately, obtain the general ledger and sort/filter for School disbursements. Obtain management’s representation that the listing or general ledger population is complete.

Results: List and management’s representation obtained.

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 School 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: None noted.

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

Results: None noted.

- 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: None noted.

- 10. Using School 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 School's purchasing/disbursement system.

Results: The CFO was able to both process payments and add new vendors to the accounting system.

Management Response: Management has changed this process to have the Grants Manager authorized to add new vendors to the accounting system and the CFO retained authority to process payments.

- 11. Using School 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 School 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 nor do they have access to the blank check stock.

- 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: List and management's representation were obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the School 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: We noted that there was no activity on the one (1) credit card held by the School.

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

Results: Not applicable as the card was not used during the fiscal year.

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)

Results: None noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Results: None noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Results: None noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the School'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.

For each transaction, compare the School'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: None noted.

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: Listing and management's representation were obtained.

18. Obtain the School'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 noted. Amounts do not appear to exceed 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 School does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Results: None noted.

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.]

Results: None noted.

➤ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Results: None noted.

➤ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

Results: Not applicable as the School does not have written travel and expense reimbursement policies.

c) Compare the School'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: List and management's representation were obtained.

- 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:

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

Results: We noted that the School did have a formal/written contract for all five (5) vendors selected.

- b) 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:

Results: We did not note any of the vendors/contracts selected to be subject to the Louisiana Public Bid Law or Procurement Code as all were for services, not materials and/or supplies.

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the School complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Results: Not applicable since none of the contracts were subject to Louisiana Public Bid Law or Procurement Code.

- If no, obtain supporting contract documentation and report whether the School solicited quotes as a best practice.

Results: While the School was not required to obtain bids for the five (5) vendors selected, we noted that the School did obtain bids for two (2) of the five (5) vendors selected.

- c) 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.

- d) 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: None noted.

- e) 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: Neither policies nor law appear to require Board approval.

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: Listing and management's representation were obtained.

- a) 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: None noted.

- b) 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 for the employees selected.

- 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 School 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 School 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 School 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: Termination payments appear to have been made in strict accordance with 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 School 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 School 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 School’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 School, and report whether State Bond Commission approval was obtained.

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

29. If the School had outstanding debt during the fiscal period, obtain supporting documentation from the School and report whether the School 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 School 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 School had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the School reported the misappropriation to the legislative auditor and the district attorney of the parish in which the School is domiciled.

Results: None noted.

32. Observe and report whether the School 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: None noted.

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.

Cary Riggs & Ingram, L.L.C.

October 24, 2017