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FOUNDATION FOR LOUISIANA STUDENTS

FINANCIAL STATEMENTS

June 30, 2017 and 2016

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 28 2018



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FOUNDATION FOR LOUISIANA STUDENTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation for Louisiana Students

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation for Louisiana Students (a nonprofit organization) d/b/a University View Academy (the "School"), 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Louisiana Students 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 compensation, benefits and other payments to agency head and 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* 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 March 20, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

March 20, 2018

Wegmann Daxet + Company

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 2,110,928	\$ 5,173,683
Federal grant receivables	423,966	173,940
Other receivable	-	7,055
Prepaid expenses	135,000	224,973
Property and equipment, at cost less accumulated depreciation	3,345,997	2,622,366
Other assets	<u>4,829</u>	<u>-</u>
Total assets	<u><u>\$ 6,020,720</u></u>	<u><u>\$ 8,202,017</u></u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 351,537	\$ 2,505,258
Accrued payroll and related liabilities	<u>815,410</u>	<u>759,273</u>
Total liabilities	<u>1,166,947</u>	<u>3,264,531</u>
NET ASSETS		
Unrestricted	<u>4,853,773</u>	<u>4,937,486</u>
Total net assets	<u>4,853,773</u>	<u>4,937,486</u>
Total liabilities and net assets	<u><u>\$ 6,020,720</u></u>	<u><u>\$ 8,202,017</u></u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2017 and 2016

	2017	2016
Revenues and other support		
State and local pupil aid - Minimum Foundation Program	\$ 19,949,688	\$ 18,694,207
Federal sources	1,194,060	1,030,634
Rental income	42,171	80,817
Other	<u>15,769</u>	<u>25,254</u>
Total revenues and other support	<u>21,201,688</u>	<u>19,830,912</u>
Expenses		
Program services:		
Instructional	17,229,728	13,924,425
Supporting services:		
Management and general	<u>4,055,673</u>	<u>5,175,391</u>
Total expenses	<u>21,285,401</u>	<u>19,099,816</u>
Change in net assets	(83,713)	731,096
Net assets at beginning of year	<u>4,937,486</u>	<u>4,206,390</u>
Net assets at end of year	<u><u>\$ 4,853,773</u></u>	<u><u>\$ 4,937,486</u></u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2017 and 2016

	2017		
	Program Services	Support Services	
	Instructional	Management and General	Total
Regular education programs	\$ 14,463,355	\$ -	\$ 14,463,355
Special education programs	1,784,612	-	1,784,612
Other instruction programs	60,502	-	60,502
Pupil support services	921,259	314,041	1,235,300
General administrative	-	1,032,671	1,032,671
School administrative	-	814,628	814,628
Business services	-	610,734	610,734
Operations & maintenance of plant services	-	464,663	464,663
Central services	-	818,936	818,936
	<u>\$ 17,229,728</u>	<u>\$ 4,055,673</u>	<u>\$ 21,285,401</u>

	2016		
	Program Services	Support Services	
	Instructional	Management and General	Total
Regular education programs	\$ 10,588,369	\$ -	\$ 10,588,369
Special education programs	1,559,710	-	1,559,710
Other instruction programs	419,064	-	419,064
Pupil support services	1,357,282	343,127	1,700,409
General administrative	-	150,765	150,765
School administrative	-	3,247,549	3,247,549
Business services	-	1,045,874	1,045,874
Operations & maintenance of plant services	-	234,207	234,207
Central services	-	153,869	153,869
	<u>\$ 13,924,425</u>	<u>\$ 5,175,391</u>	<u>\$ 19,099,816</u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (83,713)	\$ 731,096
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	131,410	124,666
(Increase) decrease in operating assets:		
Federal grant receivables	(250,026)	304,873
Other receivable	7,055	(2,955)
Prepaid expenses	89,973	(221,688)
Other assets	(4,829)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,153,721)	1,142,317
Accrued payroll liabilities	56,137	400,391
Net cash (used) provided by operating activities	<u>(2,207,714)</u>	<u>2,478,700</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(855,041)</u>	<u>(213,776)</u>
Net cash used by investing activities	<u>(855,041)</u>	<u>(213,776)</u>
Net (decrease) increase	(3,062,755)	2,264,924
Cash and cash equivalents at beginning of year	<u>5,173,683</u>	<u>2,908,759</u>
Cash and cash equivalents at end of year	<u>\$ 2,110,928</u>	<u>\$ 5,173,683</u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2017 and 2016

1) Summary of significant accounting policies

a) Organization

Foundation for Louisiana Students d/b/a University View Academy (the "School") is a not-for-profit corporation established in the State of Louisiana to operate a charter school, to leverage technology to help each participating student maximize his or her potential and meet the highest performance standards using a uniquely individualized learning program that combines the best in virtual education with unique technology-based teacher productivity tools and very real connections among students, family, teachers, and the community. The Board of Elementary and Secondary Education (BESE) granted a charter to the School to operate as a Type 2 Charter School subject to a three-year review. The School provides educational services to students in kindergarten through twelfth grades throughout Louisiana, and is funded primarily through state and local pupil aid assistance. The School was previously operated by Friends of Louisiana Connections Academy d/b/a Connections Academy.

b) 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. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, by actions of the School. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions and that are to be held in perpetuity by the School.

c) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

d) Donated services

Donated services are recognized only if the services received either create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

e) Property and equipment

Additions to physical plant and facilities are capitalized and stated at cost at the date of acquisition or at fair value at the date of donation for gifts. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided by utilizing the straight-line method over estimated useful lives of the assets which ranges from three to forty years.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

1) Summary of significant accounting policies (continued)

f) Recognition of donor restricted contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Restricted net assets whose restrictions are met in the same reporting period are reported as unrestricted net assets.

g) 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 of assets and liabilities and disclosure of certain contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h) Income tax status

The School has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2017, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. With few exceptions, the School is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

i) Accrued payroll

Teachers at the School may be paid over twelve months, even though school is only in session for ten months. Because of this, the salary for the current school year that is paid subsequent to June 30, 2017 is recorded as accrued expenses.

j) Functional expenses

The cost of program and supporting services has been reported on a functional basis. Accordingly, this requires that allocation of certain costs based on total program costs and estimates made by management.

k) Designation of unrestricted net assets

It is policy of the Board of Directors of the School to review its plan for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2017 and 2016

2) Concentrations of credit risk

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The School may, at times, have deposits in excess of the FDIC insured limits. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

3) Financial assistance

The School receives all of its support from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. As of June 30, 2017 and 2016, grants receivables totaled \$423,966 and \$173,940, respectively, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered fully collectible.

4) Property and equipment

A summary of property and equipment as of June 30, 2017 and 2016 follows:

	2017	2016
Furniture and equipment	\$ 330,508	\$ 305,509
Building	2,783,242	2,379,890
Land	654,222	227,531
	3,767,972	2,912,930
Less: accumulated depreciation	(421,975)	(290,564)
Total	\$ 3,345,997	\$ 2,622,366

5) Commitments and contingent liabilities

a) Professional services agreement

Effective February 22, 2011, the School entered into an agreement with Connections Academy of Louisiana, LLC (CA), which expired during the year ended June 30, 2017, as agreed to by both parties.

CA provides educational services, including instructional materials, personalized learning plans for each student, assessments, standardized tests, administrative staff, community coordinators and group activities, teaching staff, educational resource center, instructional staff support and development, learning management system, software, hardware, and internet access, technical support and maintenance, student records, and services to special needs students. CA also provides administrative services, including reporting, and management services.

For the years ended June 30, 2017 and 2016, the School incurred expenses to CA of \$9,531,971 and \$14,959,881, respectively. Included in accounts payable at June 30, 2017 and 2016, were payable to CA of \$223,145 and \$2,437,478, respectively.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2017 and 2016

5) Commitments and contingent liabilities (continued)

b) State funding

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

c) Litigation

The School is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the School's management and legal counsel, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

6) Subsequent events

Management evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

FOUNDATION FOR LOUISIANA STUDENTS
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEADS OR SUPERINTENDENT
For the Year Ended June 30, 2017

Agency Head: Alonzo Luce, Superintendent

Purpose	Amount
Salary	\$187,000
Cell phone	\$1,800
Benefits	\$2,051
Benefits – Health Insurance	\$15,580
Benefits – FICA and Medicare	\$14,609



WEGMANN DAZET & COMPANY

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
Foundation for Louisiana Students

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 Foundation for Louisiana Students d/b/a University View Academy (the "School"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2017-001 and 2017-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for Louisiana Students' 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*.

Foundation for Louisiana Students' Response to Findings

Foundation for Louisiana Students' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

March 20, 2018
Metairie, Louisiana

Wegmann Dayet + Company



WEGMANN DAZET & COMPANY

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

To the Board of Directors
Foundation for Louisiana Students

Report on Compliance for Each Major Federal Program

We have audited Foundation for Louisiana Students d/b/a University View Academy (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2017. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, Foundation for Louisiana Students complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

March 20, 2018
Metairie, Louisiana

Wegmann Daxet + Company

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
United States Department of Education:		
Pass-Through Program From:		
Louisiana Department of Education		
Title I – Part A	84.010	\$ 617,662
Title II – Part A	84.367	37,315
IDEA Part B	84.027	408,132
Project SERV	84.184	10,000
Micro-Enterprise Credential Resources/Jump Start	84.048	<u>5,000</u>
		<u>1,078,109</u>
United States Department of Health and Human Services:		
Pass-Through Program From:		
Louisiana Department of Education		
Jobs for Americas Graduates	93.558	<u>47,959</u>
		<u>47,959</u>
Total Expenditures of Federal Awards		<u>\$ 1,126,068</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Foundation for Louisiana Students. The reporting entity is defined in Note 1 to the School's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards 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 (Uniform Guidance.)* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The School does not qualify as a low-risk auditee.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

We have audited the basic financial statements of Foundation for Louisiana Students as of and for the year ended June 30, 2017, and have issued our report thereon dated March 20, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2017 resulted in an unmodified opinion.

SUMMARY OF THE AUDITORS' RESULTS

1. Type of report issued on the financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.** Material weaknesses: **No.**
3. Noncompliance which is material to the financial statements: **No.**
4. Significant deficiencies in internal control over major programs: **No.** Material weaknesses: **No.**
5. Type of report issued on compliance for major programs: **Unmodified.**
6. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No.**
7. Major programs for the fiscal year ended June 30, 2017 were:

<u>CFDA No.</u>	<u>Name of Federal program</u>
84.010	Title I – Part A
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
9. Auditee qualified as a low-risk auditee under Uniform Guidance: **No.**
10. A management letter was issued: **Yes.**

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2017-001: Failure to Timely Submit Audit Report

Condition:

The audit report for the year ended June 30, 2017 was not submitted within six (6) months after year end as required by state law.

Criteria:

Louisiana Revised Statute 24:513 requires that all engagements be completed and transmitted to the legislative auditor within six months of the close of the auditee's fiscal year.

Cause:

The School purchased and implemented new software for student data collection, school reporting, and all accounting and financial reporting functions due to discontinuing services with its management company, Connections Education, during the year ended June 30, 2017.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Effect:

The School is not in compliance with the State Law governing the completion and submission of audit reports.

Recommendation:

We recommend that management be cognizant of this deadline in the future and make every effort to comply.

Management's Response and Corrective Action Plan:

We will continue to make every effort to comply with this law. We experienced significant changes during the year ended June 30, 2017 as a result of the School's decision to discontinue services with the former management company, Connections Education. Connections Education performed student, accounting, and financial reporting services, which are now performed in-house.

2017-002: Accounts Payable and Accrued Expenses

Condition:

Currently there is a lack of control surrounding year end entries for accounts payable and accrued expenses.

Criteria:

All outstanding liabilities should be posted to the correct period.

Cause:

There is currently no process to ensure that all outstanding liabilities are properly recorded.

Effect:

Accounts payable and accrued expenses were understated as of June 30, 2017 due to failure to record accrual for vendor invoices and accrued vacation for employees.

Recommendation:

Management should review payments to vendors after year end and review employee benefits earned as of year-end to ensure that accounts payable and accrued expenses are properly recorded.

Management's Response and Corrective Action Plan:

We have implemented procedures to ensure that all expenses are properly recorded in the appropriate accounting period.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no findings related to federal awards for the year ended June 30, 2017.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

MANAGEMENT LETTER

<p>2017-003 Accounting for Purchases of Property and Equipment</p> <p>Expenses were overstated for the year ended June 30, 2017 due to failure to properly reclassify property and equipment purchases that were recorded to expense accounts at the time of purchase.</p>	<p>Management of the School has implemented procedures to ensure that all expenses are properly recorded in the appropriate accounting period property and equipment purchases are properly accounting for in accordance with GAAP.</p>
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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Foundation for Louisiana Students

We have performed the procedures enumerated below, which were agreed to by the management of Foundation for Louisiana Students d/b/a University View Academy (the "School"), the Louisiana Department of Education, and the Louisiana Legislative Auditor on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2017; 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, in compliance with Louisiana Revised Statute 24:514.1. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the categories reported on the schedule.

Findings: None.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the School's supporting payroll records as of October 1, 2016.

Findings: None.

Education Levels of Public School Staff (Schedule 2) (Continued)

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.

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.

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.

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

Findings: Noted 2 of the 25 selected whose experience did not agree to experience on the schedule.

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: Noted 4 of the 25 selected whose salary did not agree to salary used for schedule.

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

Findings: None.

Class Size Characteristics (Schedule 6)

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

Findings: None.

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: None.

Graduation Exit Examination (GEE) (Schedule 8)

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

Findings: None.

iLEAP Tests (Schedule 9)

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

Findings: None.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

March 20, 2018
Metairie, Louisiana

Wegmann Daye + Company

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

As of and For the Year Ended June 30, 2017

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

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

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

Schedule 5 - Public School Staff Data: Average Salaries

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

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - Graduation Exit Examination (GEE)

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

Schedule 9 - iLEAP Tests

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

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2017**

<u>Certain Local Revenue Sources</u>	<u>Column A</u>	<u>Column B</u>
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		42,171
Total Local Earnings on Investment in Real Property		<u>\$ 42,171</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		<u>\$ -</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**Education Levels of Public School Staff
As of October 1, 2016**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	44	58.67%	-	-	-	-	-	-
Master's Degree	29	38.67%	-	-	3	100.00%	-	-
Master's Degree + 30	2	2.67%	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	75	100.00%	-	-	3	100.00%	-	-

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

Number and Type of Public Schools
For the Year Ended June 30, 2017

Type	Number
Elementary	0
Middle/Jr. High	0
Secondary	0
Combination	1
Total	1

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
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	-	-	-	-	-	-	-	-
Principals	-	-	1	2	-	-	-	3
Classroom Teachers	-	10	35	12	11	4	3	75
Total	-	10	36	14	11	4	3	78

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

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	\$ 45,392	\$ 45,392
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 45,392	\$ 45,392
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	80.0	80.0

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**Class Size Characteristics
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	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	34%	124	4%	15	5%	17	57%	210
Combination Activity Classes	35%	12	6%	2	3%	1	56%	19

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017**

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0%	2%	0%	0%	1%	2%
Mastery	39%	36%	29%	19%	31%	18%
Basic	25%	35%	33%	35%	26%	27%
Approaching Basic	17%	19%	14%	22%	25%	20%
Unsatisfactory	19%	8%	24%	24%	17%	33%
Total	100%	100%	100%	100%	100%	100%

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	7%	0%	0%	1%	2%
Mastery	40%	25%	30%	27%	25%	14%
Basic	23%	36%	44%	35%	27%	23%
Approaching Basic	22%	24%	12%	29%	29%	37%
Unsatisfactory	10%	8%	14%	9%	18%	25%
Total	100%	100%	100%	100%	100%	100%

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0%	0%	2%	1%	2%	2%
Mastery	33%	35%	32%	23%	16%	11%
Basic	40%	43%	37%	26%	31%	22%
Approaching Basic	24%	17%	25%	34%	32%	44%
Unsatisfactory	3%	5%	4%	16%	19%	20%
Total	100%	100%	100%	100%	100%	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**Louisiana Educational Assessment Program (LEAP) (Continued)
For the Year Ended June 30, 2017**

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	1%	1%	3%	3%	0%
Mastery	29%	36%	42%	14%	18%	17%
Basic	37%	34%	37%	27%	27%	31%
Approaching Basic	21%	24%	12%	32%	35%	34%
Unsatisfactory	8%	5%	8%	24%	17%	17%
Total	100%	100%	100%	100%	100%	100%

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10%	8%	4%	0%	0%	1%
Mastery	32%	26%	30%	19%	19%	17%
Basic	27%	32%	35%	38%	38%	34%
Approaching Basic	18%	27%	25%	31%	33%	29%
Unsatisfactory	13%	7%	5%	12%	10%	19%
Total	100%	100%	100%	100%	100%	100%

School Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	11%	9%	6%	2%	1%	2%
Mastery	26%	49%	50%	17%	25%	28%
Basic	36%	24%	23%	26%	23%	28%
Approaching Basic	18%	14%	14%	30%	31%	21%
Unsatisfactory	9%	4%	7%	25%	20%	21%
Total	100%	100%	100%	100%	100%	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

Graduation Exit Exam (GEE)
For the Year Ended June 30, 2017

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

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

**iLEAP Tests
For the Year Ended June 30, 2017**

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	9%	10%	1%	N/A	3%
Mastery	22%	26%	25%	13%	N/A	16%
Basic	38%	40%	34%	29%	N/A	48%
Approaching Basic	31%	16%	20%	25%	N/A	18%
Unsatisfactory	7%	9%	11%	32%	N/A	15%
Total	100%	100%	100%	100%	N/A	100%

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6%	4%	4%	4%	N/A	3%
Mastery	18%	12%	14%	17%	N/A	12%
Basic	43%	49%	54%	31%	N/A	57%
Approaching Basic	25%	27%	24%	29%	N/A	22%
Unsatisfactory	8%	8%	4%	19%	N/A	7%
Total	100%	100%	100%	100%	N/A	100%

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	8%	2%	1%	N/A	7%
Mastery	14%	9%	32%	15%	N/A	11%
Basic	44%	56%	37%	16%	N/A	54%
Approaching Basic	29%	19%	25%	35%	N/A	15%
Unsatisfactory	9%	8%	4%	33%	N/A	13%
Total	100%	100%	100%	100%	N/A	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

**FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA**

iLEAP Tests (Continued)
For the Year Ended June 30, 2017

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6%	8%	6%	7%	N/A	7%
Mastery	21%	19%	29%	10%	N/A	14%
Basic	49%	45%	48%	26%	N/A	57%
Approaching Basic	17%	18%	15%	30%	N/A	16%
Unsatisfactory	7%	10%	2%	27%	N/A	6%
Total	100%	100%	100%	100%	N/A	100%

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	6%	4%	8%	N/A	6%
Mastery	24%	30%	34%	18%	N/A	16%
Basic	40%	36%	36%	28%	N/A	53%
Approaching Basic	21%	18%	15%	17%	N/A	15%
Unsatisfactory	10%	10%	11%	29%	N/A	10%
Total	100%	100%	100%	100%	N/A	100%

School Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2%	2%	7%	12%	N/A	1%
Mastery	20%	20%	27%	18%	N/A	22%
Basic	44%	51%	40%	32%	N/A	50%
Approaching Basic	29%	20%	22%	22%	N/A	18%
Unsatisfactory	5%	7%	5%	16%	N/A	10%
Total	100%	100%	100%	100%	N/A	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.



WEGMANN DAZET & COMPANY

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Foundation for Louisiana Students
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by University View Academy (Entity) 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 Entity'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 findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Results: Policy appears to appropriately address the required elements above.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Results: Policy appears to appropriately address the required elements above except (2) how vendors are added to the vendor list.
 - c) ***Disbursements***, including processing, reviewing, and approving
Results: Policy appears to appropriately address the required elements above.
 - d) ***Receipts***, including receiving, recording, and preparing deposits
Results: Policy appears to appropriately address the required elements above.

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

Results: Policy appears to appropriately address the required elements above except (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

Results: Policy appears to appropriately address the required elements above except (2) standards terms and conditions, (3) legal review, and (5) monitoring process.

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

Results: Policy appears to appropriately address the required elements above except (1) how cards are to be controlled, (2) allowable business uses, and (5) monitoring card usage.

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

Results: Policy appears to appropriately address the required elements above except (2) dollar thresholds by category of expense.

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

Results: Not applicable as the School is a non-profit 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 non-profit 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: We noted there were minutes to support that the board met eight times during the year ended June 30, 2017.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Results: Of the eight (8) Board minutes provided, we noted 6 had budget-to-actual financials attached to the minutes. The budget-to-actual comparisons did not show that management was 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 the Board minutes did reference or include non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

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

Results: List and management's representation was obtained.

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

- a) Bank reconciliations have been prepared;

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

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

Results: We noted that the bank reconciliations provided did not include evidence that a member of management or board member reviewed the bank reconciliations.

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

Results: We noted that there was no documentation reflecting that management researched one outstanding check for \$1,400 which had been outstanding for more than 6 months at the end of the fiscal year.

Collections

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

Results: Not applicable as the School did not have cash/check/money order collections of public funds for the fiscal period.

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

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

Results: Not applicable as the School did not have cash/check/money order collections of public funds for the fiscal period.

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

Results: Not applicable as the School did not have cash/check/money order collections of public funds for the fiscal period.

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

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

Results: Not applicable as the School did not have cash/check/money order collections of public funds for the fiscal period.

- 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: Not applicable as the School did not have cash/check/money order collections of public funds for the fiscal period.

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

Results: We noted that the School does not appear to have a process specifically defined to determine completeness of all collections for each revenue source and agency fund addition by a person who is not responsible for collections.

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

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

Results: List and management's representation was 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 entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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

Results: We noted that of the 25 items tested, 10 items were properly initiated by a purchase order, 10 items had an approved contract/agreement, and the other 5 items were not properly initiated by a purchase order or had an approved contract/agreement.

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

Results: We noted that of the 25 items tested, 10 items were properly approved by someone who did not initiate the purchase. Of the 25 items tested, 10 items had an approved contract/agreement and 5 items were not properly initiated by a purchase order to be approved by a person who did not initiate the purchase.

- 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: We noted that of the 25 items tested, all items were not processed without an approved requisition and/or purchase order; a receiving report showing receipt of goods purchases, or electronic equivalent; an approved invoice except 5 items that were missing an approved requisition and/or purchase order and an approved invoice.

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

Results: The designee of the CFO is responsible for processing payments approved by the CFO. The designee of the CFO is able to add vendors to the entity's purchasing/disbursement system.

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

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

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

Results: We noted that checks are electronically printed on blank check stock with the signature. We noted that persons with signatory authority do not have system access to print checks.

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 as the School does not have a signature stamp or signature machine.

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 was obtained.

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

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

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

Result: We noted that there was no evidence that the monthly statement or combined statement and support documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

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

Results: We noted for all selections, no finance charges or late fees were assessed.

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

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

- An original itemized receipt (i.e., identifies precisely what was purchased)

Results: We noted that of the 250 transactions tested, we were provided an original receipt for 190 of the transactions.

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

Results: We noted that of the 190 transactions that had an original receipt, 90 of the transactions had documentation of the business/public purpose.

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

Results: Not applicable as the School does not have other documentation required by written policy.

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

Results: We noted that of the 250 transactions, 90 transactions met the School's written purchasing/disbursement policies. The transactions that did not meet the purchasing/disbursement policies were missing the original receipt or documentation of the business public purpose required by the School's policies.

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

Results: We noted that the School only had documentation of the business/public purpose for 90 of the 250 transactions tested. These transactions appeared to meet the requirements of Article 7, Section 14 of the Louisiana Constitution.

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: List and management's representation was obtained.

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

Results: The School's written policy references the travel guide defined by the State of Louisiana.

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

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

Results: We noted that the travel and expense reimbursements were reimbursed or prepaid in accordance with written policy. None of the items tested exceeded the GSA rates.

- 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: We noted that the travel and expense reimbursements that required original itemized receipts had no exceptions.

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

Results: We noted the travel and expense reimbursements had documentation of the business/public purpose.

- 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 require other documentation according to the written policy.

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

Results: We noted that all transactions have business purposes in compliance with Article 7, Section 14 of the Louisiana Constitution, with no prohibited activity noted.

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

Results: We noted that all travel and expense reimbursements were reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

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: Obtained management's representation that the listing is complete.

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: The contracts tested were supported by a formal written contract, including the amount paid or a fee schedule.

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:

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

Results: Not applicable as the contracts selected for testing were not subject to public bid law, therefore, no comparison to legal requirements was performed.

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

Results: No contracts selected for testing had supporting documentation indicating management solicited quotes as a best practice.

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: The contracts selected were not amended during the current fiscal period.

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: We were able to compare three of the five invoices tested to the contract terms. Two of the invoices lacked the detail needed to verify the related payments complied with the terms and conditions of the contract.

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: The contracts tested were approved by the Board of Directors or by the Superintendent as stated in the School's policies and procedures.

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:
- 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: We noted that the 5 employees selected had payments during the fiscal period that were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - 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: Not applicable as the School did not have changes in hourly pay rates/salaries during the fiscal period.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
Results: We noted that the School did not document the daily attendance. We noted that the School did document leave records for all selected employees/officials that took leave during the fiscal period.
 - 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 that the School had written documentation that a supervisor approved the leave records for all selected employees/officials that took leave during the fiscal period except for 5 employees/officials that on at least one occasion did not have written documentation of supervisor approval.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
Results: We noted that the School maintained written leave records (e.g. hours earned, hours used, and balance available) on the 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: List and management's representation was obtained. We noted the selected termination payments were made in accordance with the policy and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We noted that all federal income taxes, state income taxes, state unemployment taxes, and retirement contributions were submitted to the applicable agencies by the required deadlines with the exception of payments in the first quarter of 2017 for federal income taxes and state income taxes.

Ethics (excluding nonprofits)

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

Results: Not applicable as the School is a non-profit entity.

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

Results: Not applicable as the School is a non-profit entity.

Debt Service (excluding nonprofits)

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

Results: Not applicable as the School is a non-profit entity.

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

Results: Not applicable as the School is a non-profit entity.

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

Results: Not applicable as the School is a non-profit entity.

Other

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

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

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.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: We noted no exceptions observed or identified.

Management response:

With this being our first financial audit for University View Academy that also included the new Agreed-Upon Procedures, several instances have been brought to our attention where our current policies and procedures need to be reviewed and modified. Additionally, this audit revealed areas where our current practices need to improve in order to comply with our policies and procedures.

As we move forward, it is our sincere desire to improve in all areas of our business functions especially in those areas where findings were noted. Where needed, new procedures will be implemented to ensure compliance with these Agreed-Upon Procedures as well as our internal policies and procedures.

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.

March 20, 2018

Wegmann Dayet + Company