

**ALGIERS CHARTER SCHOOL ASSOCIATION**

**FINANCIAL STATEMENTS**

**For the Year Ending June 30, 2017**

**ALGIERS CHARTER SCHOOL ASSOCIATION**

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**ALGIERS CHARTER SCHOOL ASSOCIATION**

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

December 18, 2017

Board of Directors  
Algiers Charter School Association  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Algiers Charter School Association (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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Algiers Charter School Association 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.

## **Empasis of Matter**

As discussed in Note 13 to the financial statements, the 2016 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Other Information*

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

The schedules required by Louisiana State Law included as Schedules 1 through 9, are not required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2017, on our consideration of Algiers Charter School Association'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 Algiers Charter School Association's internal control over financial reporting and compliance.

*Hienz & Macaluso, LLC*  
Metairie, LA

## **BASIC FINANCIAL STATEMENTS**

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>(Restated) 2016</b>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 7,392,122	\$ 12,691,712
Investments	4,004,004	4,004
Intergovernmental receivables	2,776,915	2,747,794
Other receivables	76,935	106,318
Prepaid expenses	165,087	399,420
Due from pooled cash, net	-	-
Total Current Assets	14,415,063	15,949,248
<b>Other Assets:</b>		
Deposits	98,572	106,187
Total Other Assets	98,572	106,187
<b>Noncurrent Assets:</b>		
Property and equipment (net of accumulated depreciation)	492,351	274,498
Total Assets	\$ 15,005,986	\$ 16,329,933
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,005,476	\$ 4,566,568
Due to other agencies	324,147	497,282
Deferred revenues	-	2,386
Due to pooled cash, net	-	-
Total Current Liabilities	3,329,623	5,066,236
<b>Noncurrent Liabilities:</b>		
Note payable	-	-
Total Liabilities	3,329,623	5,066,236
<b>Net Assets:</b>		
Reserved for capital assets	492,351	274,498
Restricted	2,324,749	2,069,916
Unrestricted	8,859,263	8,919,283
Total Net Assets	11,676,363	11,263,697
Total Liabilities and Net Assets	\$ 15,005,986	\$ 16,329,933

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>(Restated) 2016</b>
<b>UNRESTRICTED NET ASSETS</b>		
<b>Public Support and Other Revenues</b>		
Minimum foundation program	\$ 36,090,663	\$ 37,994,674
Restricted grants in aid - Federal and State	8,779,183	8,055,435
Miscellaneous revenue	342,454	821,099
Donations - unrestricted	143,986	255,085
Unrestricted grants in aid - State	38,031	22,492
	<u>45,394,317</u>	<u>47,148,785</u>
<b>Expenses</b>		
Program services:		
Instructional	37,452,320	33,946,855
Supporting services:		
Management and general	7,529,331	13,258,713
	<u>44,981,651</u>	<u>47,205,568</u>
	<b>Increase/(Decrease) in Unrestricted Net Assets</b>	<b>(56,783)</b>
	412,666	
Net assets at beginning of fiscal year	<u>11,263,697</u>	<u>11,320,480</u>
Net assets at end of fiscal year	<u>\$ 11,676,363</u>	<u>\$ 11,263,697</u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>(Restated) 2016</b>
<b>Cash flows from Operating Activities:</b>		
Increase/(decrease) in net assets	\$ 412,666	\$ (56,783)
Adjustments to reconcile increase in net assets to net cash provided/(used) by operating activities		
Depreciation	50,675	19,183
(Increase)/decrease in assets:		
Accounts receivable	(29,121)	(937,751)
Other receivables	29,383	187,000
Prepaid expense	234,333	(945)
Deposits	7,615	17,105
Increase/(decrease) in liabilities:		
Accounts payable and other accrued expenses	(1,561,092)	2,134,885
Deferred revenues	(2,386)	-
Due to pooled cash, net	-	-
Due to other funds	(173,135)	(57,808)
Net cash provided/(used) by operating activities	(1,031,062)	1,304,886
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(4,000,000)	(7)
Purchase of capital assets	(268,528)	(156,648)
Net cash provided/(used) by investing activities	(4,268,528)	(156,655)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from note payable	-	-
Payments on note payable	-	-
Net cash provided/(used) by investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(5,299,590)	1,148,231
Cash and cash equivalents, Beginning of Year	12,691,712	11,543,481
<b>Cash and cash equivalents, End of Year</b>	<b>\$ 7,392,122</b>	<b>\$ 12,691,712</b>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016(Totals Only)**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>Total Expenses</u>	<u>(Restated) 2016</u>
	<u>Instructional</u>	<u>Management and General</u>		
<b>Expenses:</b>				
Salaries and benefits	\$ 28,042,406	\$ 2,712,800	\$ 30,755,206	\$ 32,331,273
Professional services	809,285	801,780	1,611,065	2,678,447
Travel	176,850	7,603	184,453	157,977
Supplies	1,512,871	218,587	1,731,458	1,330,937
Utilities	41,815	811,039	852,854	742,324
Rent	41,198	233,469	274,667	173,217
Insurance	-	666,572	666,572	606,278
Communication	175,772	113,538	289,310	124,597
Repairs and maintenance	45,858	1,693,186	1,739,044	1,820,631
Transportation	3,300,299	-	3,300,299	3,117,861
Food service management	2,206,559	-	2,206,559	2,238,187
Depreciation Expense	15,544	35,131	50,675	19,183
Other	1,083,863	235,626	1,319,489	1,864,656
	<u>\$ 37,452,320</u>	<u>\$ 7,529,331</u>	<u>\$ 44,981,651</u>	<u>\$ 47,205,568</u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Algiers Charter School Association (“ACSA”) was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education (“BESE”) has granted ACSA six (6) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and Lord Beaconsfield Landry-O. Perry Walker College and Career Preparatory High School. The original charters ending June 30, 2011 and June 30, 2012 were renewed as discussed below. The ACSA Board of Directors governs all ACSA schools.

Several of the ACSA schools were under charter renewal consideration based upon academic, financial, and compliance requirements. Based on the results, BESE granted new charter terms ranging 3-10 years for the following Type 5 schools operated by ACSA:

- Martin Behrman Academy of Creative Arts and Sciences 7/1/2015 – 6/30/2021
- Dwight D. Eisenhower Academy of Global Studies 7/1/2015 – 6/30/2018
- William J. Fischer Accelerated Academy 7/1/2014 – 6/30/2019
- McDonogh #32 Literacy Academy 7/1/2014 – 6/30/2019
- Lord Beaconsfield Landry-O. Perry Walker College  
and Career Preparatory High School 7/1/2014 – 6/30/2024
- Algiers Technology Academy 7/1/2015 – 6/30/2017

**Basis of Accounting**

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

**Functional Expenses**

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

**Income Tax Status**

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

**Public Support and Revenue**

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net asset released from restrictions.

**Deferred Revenue**

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

**Estimates**

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

**Cash and Cash Equivalents**

Cash includes the amounts in demand deposits and interest-bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

**Basis of Presentation**

ACSA follows the provisions which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Permanently Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA.

**Property and Equipment**

Property and equipment are capitalized at cost. It is ACSA’s policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

Furniture & Equipment	5 – 12 years
Building and Improvement	27 years

Property and equipment purchased with federal and state funds, are capitalized as an asset of ACSA. ACSA is required to transfer title to any asset purchased with federal and state funds if ACSA does not continue operations of the school related to those assets.

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

ACSA had the following cash as of June 30, 2017 and June 30, 2016:

	2016	2015
Demand Deposits	\$ 7,392,122	\$ 12,691,712
	\$ 7,392,122	\$ 12,691,712

Custodial credit risk is the risk that, in the event of a bank failure, ACSA’s deposits might not be recovered. At June 30, 2017 and 2016, ACSA’s demand deposit bank balances of \$7,610,717 and \$13,454,332 respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA’s agent in ACSA’s name.

**NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES**

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2017 are as follows:

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
School Support Center	(9,638,802)	School Support Center	28,308
ATA school fund	(1,033,008)	ATA	-
ATA special revenue fund	(5,832)	ATA SR	167,924
Behrman	-	Behrman	2,064,510
Behrman SR	(185,618)	Behrman SR	344,453
Eisenhower	-	Eisenhower	1,402,766
Eisenhower SR	(152,670)	Eisenhower SR	529,928
Fischer	-	Fischer	1,469,460
Fischer SR	(365,811)	Fischer SR	485,039
McDonogh	-	McDonogh	549,464
McDonogh SR	(106,963)	McDonogh SR	323,659
Walker	-	Walker	3,990,156
Walker SR	(284,861)	Walker SR	417,898
Total	<u><u>\$ (11,773,565)</u></u>	Total	<u><u>\$ 11,773,565</u></u>

SR - Special Revenue Fund

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

**NOTE 4 – INTERFUND TRANSFERS**

ACSA's transfers in (out) consist of interfund activity for the School Support Center allocation as discussed in Note 1 and indirect costs transfers.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 4 – INTERFUND TRANSFERS (CONTINUED)**

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
SSC allocation from schools	\$ 4,530,000	ATA allocation to SSC	\$ -
SSC	-	Behrman allocation to SSC	(650,000)
ATA	33,199	Eisenhower allocation to SSC	(1,900,000)
Behrman	59,693	Fischer allocation to SSC	(530,000)
Eisenhower	58,728	McDonogh allocation to SSC	(550,000)
Fischer	37,948	Walker allocation to SSC	(900,000)
McDonogh	39,122	SSC SR	-
Walker	77,922	ATA	(33,365)
		Behrman	(59,887)
		Eisenhower	(56,178)
		Fischer	(38,225)
		McDonogh	(39,898)
		Walker	(79,059)
Total	<u>\$ 4,836,612</u>	Total	<u>\$ (4,836,612)</u>

SSC-School Support Center

The above interfund transfers are resulting from the normal course of ACSA's operations.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2017 and 2016 consists of the following:

	<u>2017</u>	<u>2016</u>
Furniture, fixtures, and equipment	\$ 3,727,363	\$ 3,944,905
Buildings & building improvements	516,528	79,193
Less: accumulated depreciation	<u>(3,751,540)</u>	<u>(3,749,600)</u>
Property and equipment, net	<u>\$ 492,351</u>	<u>\$ 274,498</u>

Depreciation expense for ACSA for the years ended June 30, 2017 and 2016 was \$50,675 and \$19,183, respectively. During the years ended June 30, 2017 and 2016, ACSA acquired \$268,528 and \$156,648 of assets, respectively.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 6 – RETIREMENT PLANS**

ACSA offers eligible employees the opportunity to participate in the Teachers’ Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers’ Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, LA 70804-9123  
(225) 925-6446

1. *Plan Description* – All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers’ Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers’ Regular plan members. Retirement benefits are based upon the employee’s age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions required and made* – Covered employees and ACSA are required by State Statute to contribute fixed percentages of employees’ gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	25.5%

ACSA’s contributions for the years ended June 30, 2017 and 2016 were \$5,487,787 and \$6,333,748, respectively.

**NOTE 7 – CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 8 – RISK MANAGEMENT**

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**NOTE 9 – UNCERTAIN INCOME TAXES**

On July 1, 2009, ACSA adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities. ACSA's 2013 through 2015 tax returns have been filed appropriately. As of December 18, 2017, the School has been approved for an extension to file their 2016 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2013 - 2015. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**NOTE 10 – LEASES**

ACSA leased its office space at 3712 MacArthur Boulevard, New Orleans, under the terms of an operating lease expiring September 14, 2013. ACSA entered in to a new lease agreement for office space at 3520 General DeGaulle, New Orleans effective August 1, 2013 expiring July 31, 2018.

Total rent expense amounted to \$165,704 and \$139,428 for the years ended June 30, 2017 and June 30, 2016, respectively.

The future minimum lease payments under the above leases are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2018	\$ 149,820
June 30, 2019	12,485
	<u>\$ 162,305</u>

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 18, 2017, the date the financial statements were available to be issued.

Eisenhower earned a school performance score of 62.4 in the 2016-2017 school year which was an increase of 5.4 SPS points over the prior year. The Louisiana Department of Education determined for the 2016-2017 school year that the score required for a letter grade of "C" was 63. The letter grade of "D" made Eisenhower at risk for non-renewal and as of the date of this report the Department of Education has recommended that the charter not be renewed and the Orleans Parish School Board give the charter to another operator for the 2017-2018 school year.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 12 – DEFICIT IN NET ASSETS**

At June 30, 2017, Algiers Technology Academy (ATA) had a deficit of \$972,234 in its General Fund due to under-enrollment and financial decisions of prior management.

At the end of the 2016 fiscal year, ACSA hired a new management team that committed to ensure financial sustainability across the organization and as a result ACSA has elected to relinquish the charter for ATA effective June 30, 2017 based on guidance from the Recovery School District.

The deficit at ATA will be absorbed with the net assets of the School Support Center. Any outstanding liabilities or assets that are attributed to ATA after the date of the relinquishment of the charter will be reported in the School Support Center financial statements.

**NOTE 13 – RESTATEMENT**

ACSA's net assets as of June 30, 2016 were restated by \$1,019,243. Intergovernmental receivables were reduced by \$995,485 and prepaid expenses were reduced by \$23,758 as a result of errors in the prior year. The restatement did not have any result on the current year change in net assets.

**SUPPLEMENTAL INFORMATION**

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**SCHEDULES OF FINANCIAL POSITION BY SCHOOL**  
**JUNE 30, 2017 AND 2016(Totals Only)**

ASSETS	2017						
	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 7,068,031	\$ 1,618	\$ 255,265	\$ 2,369	\$ 8,123	\$ 27,551	\$ 29,165
Investments	4,004,004	-	-	-	-	-	-
Intergovernmental receivables	-	48,369	-	-	-	-	-
Other receivables	51	7,532	538	-	-	-	31,725
Prepaid expenses	156,779	488	1,443	1,911	956	1,170	2,340
Due from pooled cash	-	-	2,064,510	1,402,766	1,469,460	549,464	3,990,156
<b>Total Current Assets</b>	<b>11,228,865</b>	<b>58,007</b>	<b>2,321,756</b>	<b>1,407,046</b>	<b>1,478,539</b>	<b>578,185</b>	<b>4,053,386</b>
<b>Other Assets:</b>							
Deposits	11,237	4,381	16,492	14,661	4,861	13,887	33,053
<b>Total Other Assets</b>	<b>11,237</b>	<b>4,381</b>	<b>16,492</b>	<b>14,661</b>	<b>4,861</b>	<b>13,887</b>	<b>33,053</b>
<b>Non-Current Assets:</b>							
Property and equipment (net of accumulated depreciation)	5,882	(1)	1	40,399	5,521	-	343,799
<b>Total Assets</b>	<b>\$ 11,245,984</b>	<b>\$ 62,387</b>	<b>\$ 2,338,249</b>	<b>\$ 1,462,106</b>	<b>\$ 1,488,921</b>	<b>\$ 592,072</b>	<b>\$ 4,430,238</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	\$ 852,589	\$ (43,591)	\$ 180,018	\$ 96,585	\$ (32,746)	\$ 5,112	\$ 311,155
Due to other governments	-	-	-	-	-	-	-
Due to other agencies	1	1,672	255,265	2,369	8,123	27,551	29,166
Deferred revenues	-	-	-	-	-	-	-
Due to pooled cash	9,638,802	1,033,008	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>10,491,392</b>	<b>991,089</b>	<b>435,283</b>	<b>98,954</b>	<b>(24,623)</b>	<b>32,663</b>	<b>340,321</b>
<b>Non-Current Liabilities:</b>							
Note payable	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>10,491,392</b>	<b>991,089</b>	<b>435,283</b>	<b>98,954</b>	<b>(24,623)</b>	<b>32,663</b>	<b>340,321</b>
<b>Net Assets:</b>							
Reserved for capital assets	5,882	(1)	1	40,399	5,521	-	343,799
Restricted	-	-	-	-	-	-	-
Unrestricted	748,710	(928,701)	1,902,965	1,322,753	1,508,023	559,409	3,746,118
<b>Total Net Assets</b>	<b>754,592</b>	<b>(928,702)</b>	<b>1,902,966</b>	<b>1,363,152</b>	<b>1,513,544</b>	<b>559,409</b>	<b>4,089,917</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,245,984</b>	<b>\$ 62,387</b>	<b>\$ 2,338,249</b>	<b>\$ 1,462,106</b>	<b>\$ 1,488,921</b>	<b>\$ 592,072</b>	<b>\$ 4,430,238</b>

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
**SCHEDULES OF FINANCIAL POSITION BY SCHOOL (Continued)**  
**JUNE 30, June 30, 2017 AND 2016 (Totals Only)**

ASSETS	2017								(Restated)	
	School Support Center	Special Revenue Funds						Interfund Eliminations	Total	Total
		ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker			
<b>Current Assets:</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,392,122	\$ 12,691,712
Investments	-	-	-	-	-	-	-	-	4,004,004	4,004
Intergovernmental receivables	-	89,565	544,461	618,368	374,349	409,434	692,369	-	2,776,915	2,747,794
Other receivables	-	-	9,174	7,357	-	-	20,558	-	76,935	106,318
Prepaid expenses	-	-	-	-	-	-	-	-	165,087	399,420
Due from pooled cash	28,308	167,924	344,453	529,928	485,039	323,659	417,898	(11,773,565)	-	-
<b>Total Current Assets</b>	<b>28,308</b>	<b>257,489</b>	<b>898,088</b>	<b>1,155,653</b>	<b>859,388</b>	<b>733,093</b>	<b>1,130,825</b>	<b>(11,773,565)</b>	<b>\$ 14,415,063</b>	<b>15,949,248</b>
<b>Other Assets:</b>										
Deposits	-	-	-	-	-	-	-	-	98,572	106,187
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,572</b>	<b>106,187</b>
<b>Non-Current Assets:</b>										
Property and equipment (net of accumulated depreciation)	-	3,360	4,930	36,314	13,539	26,645	11,962	-	492,351	274,498
<b>Total Assets</b>	<b>\$ 28,308</b>	<b>\$ 260,849</b>	<b>\$ 903,018</b>	<b>\$ 1,191,967</b>	<b>\$ 872,927</b>	<b>\$ 759,738</b>	<b>\$ 1,142,787</b>	<b>\$ (11,773,565)</b>	<b>\$ 15,005,986</b>	<b>\$ 16,329,933</b>
<b>LIABILITIES AND NET ASSETS</b>										
<b>Current Liabilities:</b>										
Accounts payable and accrued expenses	\$ (2,971)	\$ 98,526	\$ 228,899	\$ 391,682	\$ 250,882	\$ 264,047	\$ 405,289	\$ -	\$ 3,005,476	\$ 4,566,568
Due to other agencies	-	-	-	-	-	-	-	-	324,147	497,282
Unearned revenues	-	-	-	-	-	-	-	-	-	2,386
Due to pooled cash	-	5,832	185,618	152,670	365,811	106,963	284,861	(11,773,565)	-	-
<b>Total Current Liabilities</b>	<b>(2,971)</b>	<b>104,358</b>	<b>414,517</b>	<b>544,352</b>	<b>616,693</b>	<b>371,010</b>	<b>690,150</b>	<b>(11,773,565)</b>	<b>3,329,623</b>	<b>5,066,236</b>
<b>Non-Current Liabilities:</b>										
Note payable	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>(2,971)</b>	<b>104,358</b>	<b>414,517</b>	<b>544,352</b>	<b>616,693</b>	<b>371,010</b>	<b>690,150</b>	<b>(11,773,565)</b>	<b>3,329,623</b>	<b>5,066,236</b>
<b>Net Assets:</b>										
Reserved for capital assets	-	3,360	4,930	36,314	13,539	26,645	11,962	-	492,351	274,498
Restricted	31,293	153,131	483,571	611,301	242,695	362,083	440,675	-	2,324,749	2,069,916
Unrestricted	(14)	-	-	-	-	-	-	-	8,859,263	8,919,283
<b>Total Net Assets</b>	<b>31,279</b>	<b>156,491</b>	<b>488,501</b>	<b>647,615</b>	<b>256,234</b>	<b>388,728</b>	<b>452,637</b>	<b>-</b>	<b>11,676,363</b>	<b>11,263,697</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 28,308</b>	<b>\$ 260,849</b>	<b>\$ 903,018</b>	<b>\$ 1,191,967</b>	<b>\$ 872,927</b>	<b>\$ 759,738</b>	<b>\$ 1,142,787</b>	<b>\$ (11,773,565)</b>	<b>\$ 15,005,986</b>	<b>\$ 16,329,933</b>

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULES OF ACTIVITIES BY SCHOOL  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016 (Totals Only)**

	2017						
	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
<b>UNRESTRICTED NET ASSETS</b>							
Unrestricted grants in aid - State	\$ -	\$ 3,481	\$ 2,706	\$ 3,056	\$ 2,872	\$ 4,562	\$ 21,354
Restricted grants in aid - Federal and State	-	6,502	13,535	15,284	12,399	13,369	132,865
Donations	13,097	734	-	1,500	-	-	98,867
Minimum Foundation Program	-	2,000,517	6,385,643	7,265,057	4,189,140	4,666,110	11,539,875
Miscellaneous revenue	4,578,793	85,005	98,416	127,539	78,385	102,331	101,840
<b>Total Public Support and Other Revenues</b>	<b>4,591,890</b>	<b>2,096,239</b>	<b>6,500,300</b>	<b>7,412,436</b>	<b>4,282,796</b>	<b>4,786,372</b>	<b>11,894,801</b>
<b>Expenses</b>							
Program Services:							
Instructional	1,642,480	1,581,247	5,444,497	7,567,348	3,635,082	4,212,092	9,733,570
Supporting services:							
Management and general	2,690,007	418,682	771,527	804,216	503,789	563,098	1,976,109
<b>Total Expenses</b>	<b>4,332,487</b>	<b>1,999,929</b>	<b>6,216,024</b>	<b>8,371,564</b>	<b>4,138,871</b>	<b>4,775,190</b>	<b>11,709,679</b>
<b>Increase/(Decrease) in unrestricted net assets</b>	<b>259,403</b>	<b>96,310</b>	<b>284,276</b>	<b>(959,128)</b>	<b>143,925</b>	<b>11,182</b>	<b>185,122</b>
Net assets at beginning of fiscal year	495,189	(1,025,012)	1,618,690	2,322,280	1,369,619	548,227	3,904,795
<b>Net assets at end of fiscal year</b>	<b>\$ 754,592</b>	<b>\$ (928,702)</b>	<b>\$ 1,902,966</b>	<b>\$ 1,363,152</b>	<b>\$ 1,513,544</b>	<b>\$ 559,409</b>	<b>\$ 4,089,917</b>

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULES OF ACTIVITIES BY SCHOOL (Continued)  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016(Totals Only)**

	2017								(Restated) 2016
	Special Revenue Funds								
School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker	Interfund Eliminations	Total	Total
<b>UNRESTRICTED NET ASSETS</b>									
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,031	\$ 22,492
Restricted grants in aid - Federal and State	-	576,315	1,608,772	1,837,583	1,237,483	1,209,872	2,115,204	-	8,779,183
Donations	-	-	11,590	15,198	3,000	-	-	-	143,986
Minimum Foundation Program	-	2,621	7,569	7,757	5,982	6,817	13,575	-	36,090,663
Miscellaneous revenue	-	3,132	-	2,051	-	1,574	-	(4,836,612)	342,454
									-
Total Public Support and Other Revenues	-	582,068	1,627,931	1,862,589	1,246,465	1,218,263	2,128,779	(4,836,612)	45,394,317
<b>Expenses</b>									
Program Services:									
Instructional	(1,814)	523,515	1,440,054	1,616,793	1,110,177	1,103,810	1,925,652	(4,082,183)	37,452,320
Supporting services:									
Management and general	1,828	66,225	92,019	112,345	74,395	76,004	133,516	(754,429)	7,529,331
Total Expenses	14	589,740	1,532,073	1,729,138	1,184,572	1,179,814	2,059,168	(4,836,612)	44,981,651
<b>Increase/(Decrease) in unrestricted net assets</b>	(14)	(7,672)	95,858	133,451	61,893	38,449	69,611	-	412,666
Net assets at beginning of fiscal year	31,293	164,163	392,643	514,164	194,341	350,279	383,026	-	11,263,697
Net assets at end of fiscal year	\$ 31,279	\$ 156,491	\$ 488,501	\$ 647,615	\$ 256,234	\$ 388,728	\$ 452,637	\$ -	\$ 11,676,363

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULES OF FUNCTIONAL EXPENSES BY SCHOOL  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016(Totals Only)**

2017

Expenses	School Funds								
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker		
Salaries and benefits	\$ 3,319,023	\$ 1,429,858	\$ 4,110,286	\$ 4,655,515	\$ 2,654,029	\$ 3,150,379	\$ 7,020,162		
Professional services	450,938	15,873	760,001	2,074,259	568,108	611,342	1,410,947		
Travel	20,304	8,026	14,786	17,876	11,231	13,586	44,935		
Supplies	125,833	20,056	81,903	322,289	75,260	99,051	188,191		
Utilities	-	117,632	113,660	77,367	59,610	84,670	358,100		
Rent	204,125	485	284	8,411	5,898	4,497	50,967		
Insurance	77,034	37,445	107,079	115,826	73,230	76,356	179,602		
Communication	68,350	19,478	33,482	24,090	10,797	30,281	71,467		
Repairs and maintenance	380	161,564	284,774	188,770	195,982	172,527	601,614		
Transportation	-	99,080	489,627	632,292	348,604	385,821	1,338,150		
Food service management	-	676	12,385	14,476	4,723	10,425	17,792		
Depreciation Expense	5,430	-	-	2,983	1,323	-	31,561		
Other	61,070	89,756	207,757	237,410	130,076	136,255	396,191		
<b>Total Expenses</b>	<b>\$ 4,332,487</b>	<b>\$ 1,999,929</b>	<b>\$ 6,216,024</b>	<b>\$ 8,371,564</b>	<b>\$ 4,138,871</b>	<b>\$ 4,775,190</b>	<b>\$ 11,709,679</b>		(Restated)

2017

2016

Expenses	Special Revenue Funds							Interfund Elimination	Total	Total
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker			
Salaries and benefits	14	\$ 422,365	\$ 815,356	\$ 783,618	\$ 622,170	\$ 649,134	\$ 1,123,297	-	\$ 30,755,206	\$ 32,331,273
Professional services	-	19,481	8,067	114,544	42,764	40,890	23,851	(4,530,000)	1,611,065	2,678,447
Travel	-	1,860	13,826	12,448	9,987	4,913	10,675	-	184,453	157,977
Supplies	-	10,479	167,040	164,539	109,813	144,358	222,646	-	1,731,458	1,330,937
Utilities	-	9,930	4,930	3,093	4,462	5,924	13,476	-	852,854	742,324
Rent	-	-	-	-	-	-	-	-	274,667	173,217
Insurance	-	-	-	-	-	-	-	-	666,572	606,278
Communication	-	-	10,000	2,490	-	-	18,875	-	289,310	124,597
Repairs and maintenance	-	19,274	14,893	27,489	23,254	16,442	32,081	-	1,739,044	1,820,631
Transportation	-	372	-	1,745	-	-	4,608	-	3,300,299	3,117,861
Food service management	-	73,298	437,204	562,724	331,929	276,651	464,276	-	2,206,559	2,238,187
Depreciation Expense	-	433	870	2,318	1,968	3,178	611	-	50,675	19,183
Other	-	32,248	59,887	54,130	38,225	38,324	144,772	(306,612)	1,319,489	1,864,656
<b>Total Expenses</b>	<b>\$ 14</b>	<b>\$ 589,740</b>	<b>\$ 1,532,073</b>	<b>\$ 1,729,138</b>	<b>\$ 1,184,572</b>	<b>\$ 1,179,814</b>	<b>\$ 2,059,168</b>	<b>(4,836,612)</b>	<b>\$ 44,981,651</b>	<b>\$ 47,205,568</b>

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head: Rene Lewis-Carter

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Benefits - insurance	11,667
Benefits - retirement	<u>44,683</u>
	<u><u>\$ 231,350</u></u>



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

December 18, 2017

Board of Directors of  
Algiers Charter School Association

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 Algiers Charter School Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Algiers Charter School Association'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 Algiers Charter School Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Algiers Charter School Association'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of Algiers Charter School Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hienz & Macaluso, LLC*  
Metairie, LA

**SINGLE AUDIT SECTION**



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

December 18, 2017

Board of Directors of  
Algiers Charter School Association

**Report on Compliance for Each Major Federal Program**

We have audited Algiers Charter School Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Algiers Charter School Association's major federal programs for the year ended June 30, 2017. Algiers Charter School Association'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 laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Algiers Charter School Association'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 Algiers Charter School Association'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 Algiers Charter School Association's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Algiers Charter School Association 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 Algiers Charter School Association 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 Algiers Charter School Association'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 Algiers Charter School Association'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.

*Hienz & Macaluso, LLC*

Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed through State Department of Education		
Education for Homeless Children and Youth	84.196	\$ 43,772
<b>Title I, Part A Cluster</b>		
ESEA of 1965, Title I, Part A	84.010	2,467,135
<b>Total Title I, Part A Cluster</b>		<u>2,467,135</u>
<b>School Improvement Grants Cluster</b>		
ESEA of 1965, Title I, SIP 1003(g)	84.377	573,193
<b>Total School Improvement Grants Cluster</b>		<u>573,193</u>
<b>Special Education Cluster (IDEA)</b>		
IDEA, Part B	84.027	1,065,642
IDEA, Pre-K	84.173	10,680
<b>Total Special Education Cluster (IDEA)</b>		<u>1,076,322</u>
Special Education - State Personnel Development	84.323	6,041
ESEA of 1965, Title II, Part A	84.367	325,735
Career and Technical Education - Basic Grants to States	84.048	26,000
English Language Acquisition Grants, Title III	84.365	7,586
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>4,525,784</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
<b>Child Nutrition Cluster</b>		
School Breakfast Program	10.553	456,887
National School Lunch Program	10.555	1,835,563
Summer Food Service Program for Children	10.559	64,797
<b>Total Child Nutrition Cluster</b>		<u>2,357,247</u>
Child and Adult Care Food Program	10.558	229,440
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>2,586,687</u>
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
LA 4 - TANF	93.558	317,033
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>317,033</u>
<u>Other Programs</u>		
Passed-Through Alvin Callender Air Force Base:		
Reserve Officer Training Corp. (ROTC)	99.999	107,303
TOTAL OTHER PROGRAMS		<u>107,303</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 7,536,807</u>

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

2. ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and the end of the year.

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2017.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Algiers Charter School Association.
2. No control deficiencies were disclosed during the audit of the financial statements of Algiers Charter School Association
3. No instances of noncompliance material to the financial statements of Algiers Charter School Association were noted.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance*.
5. The auditor's report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unmodified opinion.
6. The auditor's report disclosed no findings that were required to be reported in accordance with the Uniform Guidance.
7. A management letter was not issued for the year ended June 30, 2017.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
Temporary Assistance for Needy Families	93.558
Title I Grants to Local Educational Agencies	84.010
9. The threshold for distinguishing between type A and type B programs was \$750,000.
10. Algiers Charter School Association was determined to be a low-risk auditee.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings required to be reported in this section.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

There were no findings required to be reported in this section.

**D. MANAGEMENT LETTER**

Not applicable.

**ALGIERS CHARTER SCHOOL ASSOCIATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings required to be reported in this section.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL  
AWARD PROGRAMS**

There were no findings required to be reported in this section.

**SECTION III – MANAGEMENT LETTER**

A management letter was not issued for the year ended June 30, 2016.

## PERFORMANCE STATISTICAL DATA



**INDEPENDENT ACCOUNTANT’S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

December 18, 2017

Board of Directors  
**Algiers Charter School Association**  
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 Algiers Charter School Association (“ACSA”) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management’s assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Management of Algiers Charter School Association is responsible for its financial records and compliance with applicable laws. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

**PROCEDURES AND FINDINGS**

**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 reported on the schedule:
  - ❖ Total General Fund Instructional Expenditures;
  - ❖ Total General Fund Equipment Expenditures;
  - ❖ Total Local Taxation Revenues;
  - ❖ Total Local Earnings on Investment in Real Property;
  - ❖ Total State Revenue in Lieu of Taxes;
  - ❖ Nonpublic Textbook Revenue; and
  - ❖ Nonpublic Transportation Revenue.

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

**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.

No differences were 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.

No differences were noted.

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

The education levels were properly reported.

**Number and Type of Public School (Schedule 3)**

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

No differences were 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 if the individual’s experience was properly classified on the schedule.

No differences were noted.

**Public School Staff Data (Schedule 5)**

7. We obtained a listing 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 a random sample of 25 teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences were noted.

8. For all 25 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule.

No differences were 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 sample of ten classes to computerized summary reports of the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified in the schedule.

No differences were noted.

#### **Louisiana Educational Assessment Program (LEAP) for The 21<sup>st</sup> Century (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 ACSA.

No differences were noted.

#### **The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)**

11. 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 ACSA.

No differences were noted.

#### **The 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 ACSA.

No differences were noted.

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

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

*Hienz & Macaluso, LLC*  
Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
New Orleans, Louisiana

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

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	10,059,259	
Other Instructional Staff Activities	1,532,051	
Instructional Staff Employee Benefits	3,788,529	
Purchased Professional and Technical Services	3,563,132	
Instructional Materials and Supplies	349,162	
Instructional Equipment	24,555	
Total Teacher and Student Interaction Activities		19,316,688
Other Instructional Activities		115,989
Pupil Support Services	1,457,719	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		1,457,719
Instructional Staff Services	906,732	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		906,732
School Administration	3,052,847	
Less: Equipment for School Administration	(85,165)	
Net School Administration		2,967,682
Total General Fund Instructional Expenditures (Total of Column B)		24,764,810
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$0

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

ALGIERS CHARTER SCHOOL ASSOCIATION  
New Orleans, Louisiana

Not applicable.

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

**Certain Local Revenue Sources**

Local Taxation Revenue:

Advalorem Taxes

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		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		-

Sales Taxes

Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	71	66%	25	96%	3	27%	4	100%
Master's Degree	32	30%	1	4%	6	55%	0	0%
Master's Degree + 30	4	4%	0	0%	2	18%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	1	1%	0	0%	0	0%	0	0%
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>4</b>	<b>100%</b>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

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

Type	Number
Elementary	4
Middle Jr. High	0
Secondary	2
Combination	0
Total	6

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

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	2	0	7	0	1	0	0	10
Principals	1	1	3	0	0	0	0	5
Classroom Teachers	9	46	79	0	0	0	0	134

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

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	\$46,494.00	\$46,531.00
Average Classroom Teachers Salary Excluding Extra Compensation	\$46,494.00	\$46,531.00
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries	104.41	153.89

See Independent Accountant’s Report on Applying Agreed-Upon Procedures.

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	40%	121	79%	281	46%	139	4%	2
Elementary Activity Class	2%	6	3%	10	2%	7	7%	4
Middle High	0%	0	0%	0	0%	0	0%	0
Middle High Activity Class	0%	0	0%	0	0%	0	0%	0
High	50%	152	16%	56	48%	144	76%	41
High Activity Class	8%	23	3%	10	3%	10	13%	7
Combination								
Combination Activity Class								

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

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

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced		1%		3%		2%		0%		1%		0%
Mastery		19%		18%		20%		15%		10%		9%
Basic		33%		24%		30%		25%		24%		34%
Approaching Basic		32%		31%		30%		38%		35%		39%
Unsatisfactory		15%		24%		18%		22%		30%		18%
Total		100%		100%		100%		100%		100%		100%

District Achievement Level Results	Science						Social Studies					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced		1%		1%		1%		1%		0%		0%
Mastery		5%		6%		5%		6%		0%		4%
Basic		31%		35%		33%		16%		0%		38%
Approaching Basic		42%		36%		37%		30%		0%		30%
Unsatisfactory		21%		22%		24%		47%		0%		28%
Total		100%		100%		100%		100%		0%		100%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced		2%		3%		0%		1%		0%		2%
Mastery		23%		28%		27%		13%		27%		24%
Basic		32%		35%		35%		24%		26%		27%
Approaching Basic		21%		20%		25%		33%		26%		32%
Unsatisfactory		22%		14%		13%		29%		21%		15%
Total		100%		100%		100%		100%		100%		100%

District Achievement Level Results	Science						Social Studies					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced		0%		0%		0%		1%		0%		0%
Mastery		3%		5%		6%		15%		0%		7%
Basic		32%		33%		25%		26%		0%		50%
Approaching Basic		34%		39%		47%		31%		0%		31%
Unsatisfactory		31%		23%		22%		27%		0%		12%
Total		100%		100%		100%		100%		0%		100%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

**ALGIERS CHARTER SCHOOL ASSOCIATION**  
New Orleans, Louisiana

**Schedule 8**

Graduation Exit Examination  
For the Year Ended June 30, 2017

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

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

iLEAP Tests  
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced		1%		0%		1%		1%
Mastery		22%		17%		9%		7%
Basic		21%		32%		31%		14%
Approaching Basic		30%		24%		27%		26%
Unsatisfactory		26%		27%		32%		52%
Total		100%		100%		100%		100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>								
Advanced		0%		0%		0%		0%
Mastery		0%		0%		0%		0%
Basic		0%		0%		0%		0%
Approaching Basic		0%		0%		0%		0%
Unsatisfactory		0%		0%		0%		0%
Total		0%		0%		0%		0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced		1%		0%		0%		0%
Mastery		24%		8%		6%		5%
Basic		29%		22%		32%		14%
Approaching Basic		26%		40%		31%		31%
Unsatisfactory		20%		30%		31%		50%
Total		100%		100%		100%		100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced		0%		0%		0%		0%
Mastery		11%		7%		5%		6%
Basic		24%		29%		34%		14%
Approaching Basic		39%		38%		39%		38%
Unsatisfactory		26%		26%		22%		42%
Total		100%		100%		100%		100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced		4%		0%		1%		2%
Mastery		22%		18%		11%		11%
Basic		32%		35%		40%		31%
Approaching Basic		25%		33%		29%		20%
Unsatisfactory		17%		14%		19%		36%
Total		100%		100%		100%		100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>								
Advanced		0%		0%		0%		0%
Mastery		0%		0%		0%		0%
Basic		0%		0%		0%		0%
Approaching Basic		0%		0%		0%		0%
Unsatisfactory		0%		0%		0%		0%
Total		0%		0%		0%		0%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

iLEAP Tests  
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced		0%		1%		3%		0%
Mastery		22%		21%		7%		0%
Basic		21%		26%		31%		0%
Approaching Basic		28%		28%		36%		0%
Unsatisfactory		29%		24%		23%		0%
Total		100%		100%		100%		0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>								
Advanced		3%		1%		1%		0%
Mastery		18%		10%		6%		0%
Basic		24%		24%		35%		0%
Approaching Basic		31%		35%		36%		0%
Unsatisfactory		24%		30%		22%		0%
Total		100%		100%		100%		0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced		0%		1%		0%		0%
Mastery		16%		7%		3%		0%
Basic		26%		20%		28%		0%
Approaching Basic		38%		41%		36%		0%
Unsatisfactory		20%		31%		33%		0%
Total		100%		100%		100%		0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced		2%		0%		1%		2%
Mastery		19%		9%		7%		13%
Basic		39%		34%		43%		45%
Approaching Basic		27%		43%		35%		23%
Unsatisfactory		13%		14%		14%		17%
Total		100%		100%		100%		100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced		4%		0%		1%		0%
Mastery		19%		7%		6%		0%
Basic		29%		28%		40%		0%
Approaching Basic		26%		46%		32%		0%
Unsatisfactory		22%		19%		21%		0%
Total		100%		100%		100%		0%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

iLEAP Tests  
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	0	0%	0	0%	6	2%	1	0%
Mastery	0	0%	0	0%	21	8%	25	9%
Basic	0	0%	0	0%	91	34%	119	44%
Approaching Basic	0	0%	0	0%	89	33%	78	29%
Unsatisfactory	0	0%	0	0%	63	23%	48	18%
Total	0	0%	0	0%	270	100%	271	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	0	0%	0	0%	1	0%	3	1%
Mastery	0	0%	0	0%	12	4%	19	6%
Basic	0	0%	0	0%	115	40%	113	39%
Approaching Basic	0	0%	0	0%	92	31%	96	33%
Unsatisfactory	0	0%	0	0%	73	25%	61	21%
Total	0	0%	0	0%	293	100%	292	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	0	0%	0	0%	1	0%	8	3%
Mastery	0	0%	0	0%	16	5%	25	8%
Basic	0	0%	0	0%	127	43%	142	48%
Approaching Basic	0	0%	0	0%	110	37%	75	25%
Unsatisfactory	0	0%	0	0%	44	15%	46	16%
Total	0	0%	0	0%	298	100%	296	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2015		2015		2015		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	0	0%	0	0%	3	1%	7	2%
Mastery	0	0%	0	0%	15	5%	36	13%
Basic	0	0%	0	0%	108	38%	126	45%
Approaching Basic	0	0%	0	0%	94	33%	64	23%
Unsatisfactory	0	0%	0	0%	62	23%	49	17%
Total	0	0%	0	0%	282	100%	282	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2015		2015	
Students	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

See Independent Accountant's Report on Applying Agreed-Upon Procedures.



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of Algiers Charter School Association  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Algiers Charter School Association (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***

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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
  - 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.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits

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

- e) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- f) **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
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- h) **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.
- i) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. Note: Debt Service requirements are not applicable to nonprofits.

We obtained the entity's written policies and procedures and determined that they address each of the financial/business functions noted above.

***Board (or Finance Committee, if applicable)***

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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.

The number of board meetings was in conformity with the entity's bylaws.

- 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.

The board minutes included budget-to-actual financial comparisons.

- 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.

The July 28, 2016 minutes included discussion of the approval of a number of contracts for the Entity.

### ***Bank Reconciliations***

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

We obtained the required listing as well as management's representation that the listing was complete.

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;

Bank reconciliations were prepared for each of the entity's bank accounts.

- 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

We noted the bank reconciliations contained evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) 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.

Management has documentation that it has researched reconciling items outstanding for more than six months.

### ***Collections***

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

Management provided us with the required listing as well as the representation that the listing was complete.

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:**

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, and (3) not required to share the same cash register or drawer with another employee. Each person responsible for collecting cash is bonded, not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and not required to share the cash register or drawer with another employee.

- a) 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.

The entity does have a formal process to reconcile cash collections to the general ledger by revenue source by a person who is not responsible for cash collections.

- b) 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.

The selected deposits were made within one day of collection.

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

Daily cash collections are completely supported by documentation.

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

8. sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The entity does have a process specifically defined to determine completeness of all collections, for each revenue source by a person who is not responsible for collections.

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

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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.

Management provided us with the required listing as well as the representation that the listing was complete.

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.

Purchases were initiated using a system that separates initiation from approval functions.

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

Purchase orders, or an electronic equivalent, were 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.

Payments for purchases were not processed without proper approvals.

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.

The person responsible for processing payments is prohibited from adding vendors to the entity’s purchasing/disbursement system.

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

The person who makes the final authorization for disbursements does not have 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.

The supply of unused checks is maintained in a locked location with access restricted to those persons who do not have signatory authority.

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.

Not applicable.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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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.

Management provided us with the required listing as well as the representation that the listing was complete.

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

- b) authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

There is evidence that the monthly statements and supporting documentataion were reviewed and approved, in writing, by someone other than the authorized card holder.

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

No finance charges and/or late fees were assessed on the selected statements.

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)

The transaction was supported by an original itemized receipt.

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

The transaction was supported by documentation of the business/public purpose.

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

No other documentation was required.

- 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.

No exceptions were noted.

- 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.

No exceptions were noted.

### ***Travel and Expense Reimbursement***

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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

18. travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Management provided us with the required listing as well as the representation that the listing was complete.

19. 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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Management follows GSA travel regulations related to travel and expense reimbursements.

20. 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.

Each expense was reimbursed in accordance with written policy.

- 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.]

Each expense was supported by an original itemized receipt that identifies precisely what was purchased.

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

Each expense was supported by 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)

No other documentation was required.

- 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.

No exceptions were noted.

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

### *Contracts*

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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.

Management provided us with the required listing as well as the representation that the listing was 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.

There is a formal/written contract supporting the services arrangement and the amount paid.

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

The selected contracts were not subject to the Louisiana Public Bid Law or Procurement Code. The entity did solicit quotes as a best practice.

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.

Not applicable.

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.

The invoice and related payment complied with the terms and conditions of the contract.

- c) 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).

Not applicable.

### ***Payroll and Personnel***

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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.

The payments made to each of the five selected employees were made in strict accordance with the terms and conditions of the employment.

- 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.

Not applicable.

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.)

Each of the selected employees documented 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.

There is written documentation that supervisors approved the attendance and leave of the selected employees.

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

There is written documentation that the entity maintained written leave records on those selected employees that earn leave.

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

The selected termination payments were 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.

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.

### *Ethics (excluding nonprofits)*

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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.

Not applicable.

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.

Not applicable.

### *Debt Service (excluding nonprofits)*

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

Not applicable.

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.

Not applicable.

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.

Not applicable.

### *Other*

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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.

Management is not aware of any misappropriations of public funds or assets.

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

We noted that the required notices were posted on its premises and website.

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

No exceptions were 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.

***Hienz & Macaluso, LLC***  
**Metairie, Louisiana**  
December 18, 2017