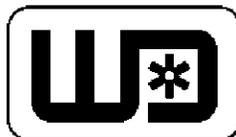


FOUNDATION FOR LOUISIANA STUDENTS

FINANCIAL STATEMENTS

June 30, 2019 and 2018



WEGMANN DAZET & COMPANY

CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 12
Other Supplementary Information	
Summary of Compensation, Benefits, and Other Payments to Agency Head	13
Uniform Guidance Compliance and Government Auditing Standards Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 - 15
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	16 - 17
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	20 - 21
Schedule of Prior Year Findings and Questioned Costs	22
Independent Accountants' Report on Applying Agreed-Upon Procedures: Performance and Statistical Data	23 - 24
Schedules Required by Louisiana State Law (R.S. 24:524-Performance and Statistical Data)	25
Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	26 - 27
Schedule 2: Class Size Characteristics	28
Independent Accountants' Report on Applying Agreed-Upon Procedures: Statewide Agreed-Upon Procedures	29 - 32



WEGMANN DAZET & COMPANY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation for Louisiana Students

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation for Louisiana Students (a nonprofit organization) d/b/a University View Academy (the "School"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Louisiana Students as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 Performance and Statistical Data, and Statewide Agreed Upon Procedures are not a required part of the financial statements, but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the independent accountants' reports 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 January 2, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

January 2, 2020

Wegmann Daxet + Company

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 1,825,431	\$ 5,994,449
Federal grant receivables	305,690	1,139,212
Prepaid expenses	12,550	1,250
Property and equipment, at cost less accumulated depreciation	12,416,779	4,996,193
Other assets	<u>7,319</u>	<u>4,969</u>
Total assets	<u><u>\$ 14,567,769</u></u>	<u><u>\$ 12,136,073</u></u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 327,608	\$ 565,521
Accrued payroll and related liabilities	<u>1,645,604</u>	<u>867,646</u>
Total liabilities	<u>1,973,212</u>	<u>1,433,167</u>
NET ASSETS		
Without donor restrictions	<u>12,594,557</u>	<u>10,702,906</u>
Total net assets	<u>12,594,557</u>	<u>10,702,906</u>
Total liabilities and net assets	<u><u>\$ 14,567,769</u></u>	<u><u>\$ 12,136,073</u></u>

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

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2019 and 2018

	2019	2018
Revenues and other support		
State and local pupil aid - Minimum Foundation Program	\$ 27,376,435	\$ 21,351,927
Federal sources	2,691,557	1,403,816
Rental income	7,868	33,456
Other	<u>310,428</u>	<u>1,362</u>
Total revenues and other support	<u>30,386,288</u>	<u>22,790,561</u>
Expenses		
Program services:		
Instructional	20,194,672	12,578,685
Supporting services:		
Management and general	<u>8,299,965</u>	<u>4,362,743</u>
Total expenses	<u>28,494,637</u>	<u>16,941,428</u>
Change in net assets	1,891,651	5,849,133
Net assets at beginning of year	<u>10,702,906</u>	<u>4,853,773</u>
Net assets at end of year	<u><u>\$ 12,594,557</u></u>	<u><u>\$ 10,702,906</u></u>

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

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2019 and 2018

	2019		
	Program Services	Support Services	Total
	Instructional	Management and General	
Regular education programs	\$ 14,599,149	\$ -	\$ 14,599,149
Special education programs	1,956,591	-	1,956,591
Other instructional programs	258,204	-	258,204
Special programs	663,355	-	663,355
Pupil support services	2,717,373	1,123,012	3,840,385
General administrative	-	2,036,880	2,036,880
School administrative	-	1,344,379	1,344,379
Business services	-	609,727	609,727
Operations & maintenance of plant services	-	1,678,235	1,678,235
Central services	-	1,507,732	1,507,732
	<u>\$ 20,194,672</u>	<u>\$ 8,299,965</u>	<u>\$ 28,494,637</u>

	2018		
	Program Services	Support Services	Total
	Instructional	Management and General	
Regular education programs	\$ 8,749,603	\$ -	\$ 8,749,603
Special education programs	1,434,094	-	1,434,094
Other instruction programs	520,998	-	520,998
Special programs	933,547	-	933,547
Pupil support services	940,443	259,945	1,200,388
General administrative	-	1,322,857	1,322,857
School administrative	-	707,237	707,237
Business services	-	527,930	527,930
Operations & maintenance of plant services	-	454,174	454,174
Central services	-	1,090,600	1,090,600
	<u>\$ 12,578,685</u>	<u>\$ 4,362,743</u>	<u>\$ 16,941,428</u>

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

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 1,891,651	\$ 5,849,133
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	146,717	157,710
(Increase) decrease in operating assets:		
Federal grant receivables	833,522	(715,246)
Prepaid expenses	(11,300)	133,750
Other assets	(2,350)	(140)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(237,913)	157,847
Accrued payroll and related liabilities	777,958	108,373
Net cash provided by operating activities	<u>3,398,285</u>	<u>5,691,427</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(7,567,303)</u>	<u>(1,807,906)</u>
Net cash used by investing activities	<u>(7,567,303)</u>	<u>(1,807,906)</u>
Net (decrease) increase	(4,169,018)	3,883,521
Cash and cash equivalents at beginning of year	<u>5,994,449</u>	<u>2,110,928</u>
Cash and cash equivalents at end of year	<u>\$ 1,825,431</u>	<u>\$ 5,994,449</u>

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

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

1) Summary of significant accounting policies

a) Organization

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

b) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred.

c) Basis of presentation

The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the School's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

d) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. At June 30, 2019 and 2018, there were no restricted cash balances.

e) Property and equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to forty years. The School's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. The School's management

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

1) Summary of significant accounting policies (continued)

e) Property and equipment (continued)

periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

All assets acquired with public funds are the property of the School for the duration of the charter. If the charter is revoked or surrendered, or the School otherwise ceases to operate, all assets purchased with public funds will automatically revert to full ownership by BESE or the appropriate agency.

f) State and Federal funding

The School receives all of its support from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. As of June 30, 2019 and 2018, grants receivables totaled \$305,690 and \$1,139,212, respectively, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered fully collectible.

g) Recognition of donor restricted contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. Restricted net assets whose restrictions are met in the same reporting period are reported as unrestricted net assets.

h) Estimates

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

i) Income tax status

The School has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the School has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2019, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. With few exceptions, the School is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

1) Summary of significant accounting policies (continued)

j) Accrued payroll

Teachers at the School may be paid over twelve months, even though school is only in session for ten months. Because of this, the salary for the current school year that is paid subsequent to June 30, 2019 is recorded as accrued expenses.

k) Compensated absences

All full-time twelve (12) month employees of the School receive between fifteen (15) to twenty (20) days of annual leave depending on length of service. Annual leave may be accumulated and carried forward up to a maximum of thirty (30) days. Unused annual leave is paid to employees upon termination. All employees receive between ten (10) to thirteen (13) days of sick leave depending on classification as a ten-month or twelve-month employee. Sick leave may be accumulated and carried forward without limitation; however, unused sick leave is not paid upon termination. It is the School's policy to recognize the cost of compensated absences for annual leave when earned by employees. Compensated absences for annual leave, which is included in accrued payroll and related liabilities, amounted to \$106,653 and \$108,445 as of June 30, 2019 and 2018, respectively.

l) Functional expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort.

m) Advertising

The School expenses advertising as incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$408,417 and \$294,886, respectively.

n) Donated assets

Noncash donations are recognized at their estimated fair values at the date of donation.

2) Concentrations of credit risk

The School maintains its cash balances in one financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The uninsured cash balances totaled \$1,722,335 and \$5,964,515 at June 30, 2019 and 2018, respectively. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

3) Liquidity and availability

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 1,825,431
Federal grants receivable	305,690
	\$ 2,131,121

4) Property and equipment

A summary of property and equipment as of June 30, 2019 and 2018 follows:

	2019	2018
Furniture and equipment	\$ 816,898	\$ 330,508
Buildings	8,987,273	4,164,762
Land	3,339,009	1,080,607
	12,416,779	5,575,877
Less: accumulated depreciation	(726,401)	(579,684)
Total	\$ 12,416,779	\$ 4,996,193

5) Retirement plan

On July 1, 2018, the School began sponsoring a 403(b) plan for all eligible employees. Employees are 100% vested immediately upon participation. Eligible employees may contribute up to the maximum allowed by the Internal Revenue Service (IRS). The School may make matching contributions at its discretion. The School match for the year ended June 30, 2019 totaled \$781,858.

The School sponsored a defined contribution 401(k) plan covering full-time employees working 30 plus hours per week. The School contributes a match equal to 100% of the first 3% of the employee's eligible earnings, plus a 50% match of the next 3% of eligible earnings that the employee contributes. Employees are 100% vested immediately upon participation. Retirement benefit expenses for the School's match under this plan totaled \$231,939 during the year ended June 30, 2018, respectively. This plan was terminated effective June 30, 2018.

The School sponsors a 457(b) Deferred Compensation Plan for all eligible employees. The plan does not require matching contributions.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

6) Commitments and contingent liabilities

a) State funding

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

b) Litigation

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

7) Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 is effective for nonpublic organizations for annual reporting periods beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

In January 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2020. Management is currently evaluating the impact of adopting the new standard on its financial statements.

8) Leases

The School leases facilities for the operations of UVA Charter School in Tallulah, Louisiana under non-cancelable operating lease agreements. Monthly payments on the leases range from \$634 to \$5,575. Total rent expense under the terms of these agreements was \$155,167 for the year ended June 30, 2019.

The School leases three passenger school buses for the operations of UVA Charter School under a lease that began on July 1, 2018 and expired July 1, 2019. The lease was paid in one annual payment of \$49,800.

9) Cooperative Endeavor Agreement

The School entered into a Cooperative Endeavor agreement with Madison-Tallulah Education Center d/b/a Tallulah Charter School whereas the School will operate the charter school, UVA Charter School, at the former Tallulah Charter School.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

10) Subsequent events

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

FOUNDATION FOR LOUISIANA STUDENTS
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR SUPERINTENDENT

For the Year Ended June 30, 2019

Michelle Clayton, Superintendent

Purpose	Amount
Salary	\$175,032
Cell phone	1,575
Benefits	17,963
Benefits – Health Insurance	15,049
Benefits – FICA and Medicare	13,618

Alonzo Luce, Superintendent

Purpose	Amount
Salary	\$24,625
Cell phone	225
Benefits	964
Benefits – Health Insurance	1,858
Benefits – FICA and Medicare	1,871



WEGMANN DAZET & COMPANY

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

To the Board of Directors
Foundation for Louisiana Students

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foundation for Louisiana Students d/b/a University View Academy (the "School"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 2, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001 and 2019-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for Louisiana Students' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Foundation for Louisiana Students' Response to Findings

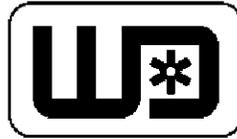
Foundation for Louisiana Students' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

January 2, 2020
Metairie, Louisiana

Wegmann Daxet + Company



WEGMANN DAZET & COMPANY

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

To the Board of Directors
Foundation for Louisiana Students

Report on Compliance for Each Major Federal Program

We have audited Foundation for Louisiana Students d/b/a University View Academy (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2019. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Foundation for Louisiana Students complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

January 2, 2020
Metairie, Louisiana

Wegmann Daxet + Company

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
United States Department of Education			
Passed through the Louisiana Department of Education			
Title I	84.010A	S010A180018	S 444,337
Carl Perkins – Secondary	84.048A	V048A180018	28,753
IDEA Part B	84.027	H027A180033	430,216
Total United States Department of Education			<u>903,306</u>
United States Department of Agriculture			
Passed through the Louisiana Department of Agriculture			
National School Lunch Program	10.553	N/A	286,517
Total United States Department of Agriculture			<u>286,517</u>
United States Department of Health and Human Services			
Passed through the Louisiana Department of Education			
Jobs for Americas Graduates	93.558	N/A	67,952
LA 4 TANF	93.558	N/A	37,980
Total United States Department of Health and Human Services			<u>105,932</u>
Total Expenditures of Federal Awards			<u>\$1,295,755</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

For the Year Ended June 30, 2019

Note 1 General

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

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The School qualifies as a low-risk auditee.

Note 4 Indirect cost rate

The School did not include any expenditures related to indirect cost rate calculations nor any 10% de minimis cost rate calculation in its Schedule of Expenditures of Federal Awards as there were no indirect cost rates utilized as part of the federal grant activity.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

I. SUMMARY OF THE AUDITORS' RESULTS

Financial Statements

1. Type of report issued on the financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.** Material weaknesses: **No.**
3. Noncompliance which is material to the financial statements: **No.**
4. A management letter was issued: **Yes.**

Federal Awards

5. Significant deficiencies in internal control over major programs: **No.**
Material weaknesses: **No.**
6. Type of report issued on compliance for major programs: **Unmodified Opinion.**
7. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No.**
8. Major programs for the fiscal year ended June 30, 2019 were:

Title I (CFDA #84.010A)
9. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
10. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**

II. INTERNAL CONTROL OVER FINANCIAL REPORTING

2019-001: Accounts Payable, Accrued Expenses, and Accrued Payroll and Related Liabilities

Condition:

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

Criteria:

All outstanding liabilities should be posted to the correct period.

Cause:

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

Effect:

Accounts payable, accrued expenses, and accrued payroll and related liabilities as of June 30, 2019 required adjustments due to failure to record accrual for vendor invoices, annual leave for employees, and accrued payroll and related liabilities.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

II. INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)

2019-001: Accounts Payable, Accrued Expenses, and Accrued Payroll and Related Liabilities (continued)

Recommendation:

Management should review payments to vendors after year end and maintain proper leave records for employees throughout the year to ensure that accounts payable and accrued expenses are properly recorded.

Management's Response and Corrective Action Plan:

Organizational restructuring and increased staffing levels have been approved to ensure that all accounts payable and accrued expenses are properly recorded in the appropriate accounting period.

2019-002: Prepaid expenses

Condition:

Currently there is a lack of control surrounding year end entries for prepaid insurance.

Criteria:

All prepaid insurance expense should be posted to the correct period and amortized over the life of the policy.

Cause:

There is currently no process to ensure that all prepaid insurance expenses are properly recorded and amortized.

Effect:

Prepaid insurance expense as of June 30, 2019 required adjustments due to failure to record prepaid expenses for insurance policies.

Recommendation:

Management should review payments for insurance policies during the year to ensure that prepaid insurance is properly recorded.

Management's Response and Corrective Action Plan:

Organizational restructuring and increased staffing levels have been approved to ensure that all prepaid expenses are properly recorded in the appropriate accounting period.

III. INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

There were no findings related to federal awards for the year ended June 30, 2019.

IV. MANAGEMENT LETTER

<p><u>2019-003: Requests for Reimbursements</u> The School failed to submitted requests for reimbursements and related support for federal grants. We recommend procedures be implemented to submit requests for reimbursements more timely, i.e., quarterly.</p>	<p><u>Management Response:</u> We will review our policies and procedures over federal grant reporting to ensure timely remittance of requests for reimbursements.</p>
--	--

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

INTERNAL CONTROL OVER FINANCIAL REPORTING

2018-001: Accounts Payable and Accrued Expenses

Condition:

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

Status:

Not resolved. See 2019-001.

2017-002: Accounts Payable and Accrued Expenses

Condition:

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

Status:

Not resolved. See 2019-001.

INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

There were no findings related to federal awards for the year ended June 30, 2018.

MANAGEMENT LETTER

<p><u>2018-002: Profile of Educational Personnel (PEP) Reporting</u> PEP data submitted for the October 1, 2017 submission was incomplete. We recommend that procedures be implemented to ensure that all employees be included on subsequent PEP submissions.</p>	<p><u>Management Response:</u> We will review our policies and procedures over PEP reporting to ensure accurate and complete data is submitted to the State in subsequent reporting periods.</p>
<p><u>2018-003: Teacher Experience</u> Teacher experience was incorrectly reported on the PEP report submitted to the State. We recommend that procedures be implemented to ensure that all employee information is accurately reported on subsequent PEP submissions.</p>	<p><u>Management Response:</u> As noted in response to 2018-002 above, we will review our policies and procedures over PEP reporting to ensure accurate and complete data is submitted to the State in subsequent reporting periods.</p>
<p><u>2018-004: Requests for Reimbursements</u> The School submitted requests for reimbursements and related support for federal grants at year end or in the month subsequent to year end. We recommend procedures be implemented to submit requests for reimbursements more timely, i.e., quarterly.</p>	<p><u>Management Response:</u> We will review our policies and procedures over federal grant reporting to ensure timely remittance of requests for reimbursements.</p>



WEGMANN DAZET & COMPANY

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Foundation for Louisiana Students

We have performed the procedures enumerated below, which were agreed to by the Foundation for Louisiana Students d/b/a University View Academy (the "School"), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514-1. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

Findings: None.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Findings: None.

Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Findings: None.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Findings: None.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514-1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

January 2, 2020
Metairie, Louisiana

Wegmann Daxet + Company

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

As of and For the Year Ended June 30, 2019

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

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

Schedule 2 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

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

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 7,125,125	
Other Instructional Staff Activities	515,999	
Instructional Staff Employee Benefits	2,282,731	
Purchased Professional and Technical Services	1,473,952	
Instructional Materials and Supplies	2,357,627	
Instructional Equipment	96,153	
Total Teacher and Student Interaction Activities		\$ 13,851,587
Other Instructional Activities		2,912,407
Pupil Support Activities	2,551,909	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		2,551,909
Instructional Staff Services	1,044,472	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,044,472
School Administration	1,347,479	
Less: Equipment for School Administration	-	
Net School Administration		1,347,479
Total General Fund Instructional Expenditures (Total of Column B)		\$ 21,707,854
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -

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

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

<u>Certain Local Revenue Sources</u>	<u>Column A</u>	<u>Column B</u>
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue		<u>\$ -</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ -
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		<u>\$ -</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ -
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>\$ -</u>
Nonpublic Textbook Revenue		<u>\$ -</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

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

Class Size Characteristics

As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	49%	267	12%	62	5%	26	34%	186
Combination Activity Classes	37%	82	31%	68	22%	49	10%	22



WEGMANN DAZET & COMPANY

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Foundation for Louisiana Students d/b/a University View Academy (the "School") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The School's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the School's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the School's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Results: No exceptions were noted as a result of applying the above procedure.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were noted as a result of applying the above procedure.
 - c) **Disbursements**, including processing, reviewing, and approving
Results: No exceptions were noted as a result of applying the above procedure.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

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

Results: No exceptions were noted as a result of applying the above procedure.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the School's ethics policy.

Results: Not applicable to the School.

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

Results: Not applicable to the School.

- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were noted as a result of applying the above procedure.

Bank Reconciliations

- 2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the School's main operating account. Select the School's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: We noted the bank reconciliations provided did not include evidence that they were prepared within 2 months of related statement closing date.

Management's Response: The School will include the prepared date on each reconciliation going forward as evidence that the reconciliation was prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: No exceptions were noted as a result of applying the above procedure.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted as a result of applying the above procedure.

Payroll and Personnel

- 3. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were noted as a result of applying the above procedure.

- 4. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #3 above, obtain attendance records and leave documentation for the pay period, and:

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

Results: We observed that all selected employees documented their leave, but there was no documentation of their daily attendance.

Management Response: We will review our policies and procedures over documentation and approval of employee leave to ensure accumulated leave balances are accurately reported throughout the year.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Results: No exceptions were noted as a result of applying the above procedure.

Note: We noted that only support was available for leave approved by supervisors. See 4 (a) above for results regarding daily attendance.

- c) Observe that any leave accrued or taken during the pay period is reflected in the School’s cumulative leave records.

Results: No exceptions were noted as a result of applying the above procedure.

- 5. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations, agree the hours to the employee/officials’ cumulate leave records, and agree the pay rates to the employee/officials’ authorized pay rates in the employee/officials’ personnel files.

Results: No exceptions were noted as a result of applying the above procedure.

- 6. Obtain management’s representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: We noted 2 of 4 quarterly 941 Deposits, 1 of 4 quarterly State Withholding Deposits, and all retirement contributions were not filed by required deadlines.

Management Response: We will review our policies and procedures over documentation and filing of required forms stated above to ensure they are properly reported and filed by required deadlines throughout the year.

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.

January 2, 2020
Metairie, Louisiana

Wegmann Daxet + Company