

JCFA
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2018

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Independent Auditor's Report

October 27, 2018

The Board of Governance
JCFA

Report on the Financial Statements

We have audited the accompanying combining financial statements of JCFA (a nonprofit organization), which comprise the combining statement of financial position as of June 30, 2018, and the related combining statements of activities and cash flows for the year then ended, and the related notes to the combining financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combining 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 combining 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 combining 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 combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining 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 combining 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 combining 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 combining financial statements referred to above present fairly, in all material respects, the financial position of JCFA as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the combining financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The compensation schedule is required by LA R.S. 24:513. The supplementary schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2018, on our consideration of JCFA'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.

Hienz & Macaluso, LLC
Metairie, LA

JCFA
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	<u>CMO</u>	<u>WEST BANK</u>	<u>EAST BANK</u>	<u>LAFAYETTE</u>	<u>INTERFUND ELIMINATIONS</u>	<u>TOTAL</u>
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ -	\$ 90,508	\$ 314,049	\$ -	\$ -	\$ 404,557
Accounts Receivable	-	57,082	77,554	16,447	-	151,083
Prepaid Expenses	18,559	3,858	1,175	15,469	-	39,061
Due From other Funds	828,640	962,998	694,553	-	(2,486,191)	-
Total Current Assets	<u>847,199</u>	<u>1,114,446</u>	<u>1,087,331</u>	<u>31,916</u>	<u>(2,486,191)</u>	<u>594,701</u>
Fixed Assets:						
Computers	3,642	120,227	73,194	15,370	-	212,433
Software	-	19,101	-	-	-	19,101
Furniture and Fixtures	-	-	5,537	10,647	-	16,184
Leasehold Improvements	-	15,650	80,956	-	-	96,606
Accumulated Depreciation	(1,438)	(148,546)	(101,631)	(4,597)	-	(256,212)
Total Fixed Assets, Net	<u>2,204</u>	<u>6,432</u>	<u>58,056</u>	<u>21,420</u>	<u>-</u>	<u>88,112</u>
Total Assets	<u>\$ 849,403</u>	<u>\$ 1,120,878</u>	<u>\$ 1,145,387</u>	<u>\$ 53,336</u>	<u>\$ (2,486,191)</u>	<u>\$ 682,813</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 135	\$ 52,694	\$ 2,574	\$ 694	\$ -	\$ 56,097
Due to Other Funds	936,336	694,077	816,878	38,900	(2,486,191)	-
Total Current Liabilities	<u>936,471</u>	<u>746,771</u>	<u>819,452</u>	<u>39,594</u>	<u>(2,486,191)</u>	<u>56,097</u>
Total Liabilities	<u>936,471</u>	<u>746,771</u>	<u>819,452</u>	<u>39,594</u>	<u>(2,486,191)</u>	<u>56,097</u>
Net Assets:						
Unrestricted	(87,068)	\$ 374,107	325,935	13,742	-	626,716
Temporarily Restricted	-	-	-	-	-	-
Total Net Assets	<u>(87,068)</u>	<u>374,107</u>	<u>325,935</u>	<u>13,742</u>	<u>-</u>	<u>626,716</u>
Total Liabilities and Net Assets	<u>\$ 849,403</u>	<u>\$ 1,120,878</u>	<u>\$ 1,145,387</u>	<u>\$ 53,336</u>	<u>\$ (2,486,191)</u>	<u>\$ 682,813</u>

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

JCFA
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	CMO			WEST BANK CAMPUS		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Grants and Other Support						
State and Local Public School Funding	\$ -	\$ -	\$ -	\$ 1,533,501	\$ -	\$ 1,533,501
Federal Grants	-	-	-	50,255	-	50,255
Donations	-	-	-	-	-	-
Other Income	668,561	-	668,561	1,720	-	1,720
Net Assets Released from Restrictions	-	-	-	-	-	-
Total Revenue, Grants and Other Support	668,561	-	668,561	1,585,476	-	1,585,476
Expenses						
Program Services:						
Special Education Programs	-	-	-	24,235	-	24,235
Career and Technical Education	-	-	-	57,731	-	57,731
Other Instructional Programs	3,227	-	3,227	555,850	-	555,850
Pupil Support Services	319	-	319	213,231	-	213,231
Instructional Staff Services	237,870	-	237,870	31,039	-	31,039
School Administration	138,280	-	138,280	224,042	-	224,042
Operation and Maintenance of Plant	11,318	-	11,318	211,089	-	211,089
Student Transportation Services	-	-	-	7,877	-	7,877
Food Service	-	-	-	2,908	-	2,908
Depreciation	729	-	729	1,814	-	1,814
Management and General:						
General Administration	166,799	-	166,799	434	-	434
Business Services	132,162	-	132,162	223,340	-	223,340
Central Services	117,944	-	117,944	6,193	-	6,193
Total Expenses	808,648	-	808,648	1,559,783	-	1,559,783
Change in Net Assets	(140,087)	-	(140,087)	25,693	-	25,693
Net Assets, Beginning of Period	53,019	-	53,019	348,414	-	348,414
Net Assets, End of Period	\$ (87,068)	\$ -	\$ (87,068)	\$ 374,107	\$ -	\$ 374,107

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

JCFA
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	EAST BANK CAMPUS			LAFAYETTE CAMPUS			Interfund Eliminations	2018 Combined Totals
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
Revenues, Grants and Other Support								
State and Local Public School Funding	\$ 2,685,629	\$ -	\$ 2,685,629	\$ 492,583	-	\$ 492,583	\$ -	4,711,713
Federal Grants	288,328	-	288,328	145,963	-	145,963	-	484,546
Donations	-	-	-	-	-	-	-	-
Other Income	16,775	-	16,775	5,667	-	5,667	(632,730)	59,993
Net Assets Released from Restrictions	1,910	(1,910)	-	-	-	-	-	-
Total Revenue, Grants and Other Support	2,992,642	(1,910)	2,990,732	644,213	-	644,213	(632,730)	5,256,252
Expenses								
Program Services:								
Special Education Programs	57,616	-	57,616	-	-	-	-	81,851
Career and Technical Education	112,841	-	112,841	2,098	-	2,098	-	172,670
Other Instructional Programs	999,482	-	999,482	244,904	-	244,904	-	1,803,463
Pupil Support Services	426,598	-	426,598	90,377	-	90,377	-	730,525
Instructional Staff Services	88,174	-	88,174	11,949	-	11,949	-	369,032
School Administration	374,878	-	374,878	163,998	-	163,998	-	901,198
Operation and Maintenance of Plant	452,483	-	452,483	84,338	-	84,338	-	759,228
Student Transportation Services	23,163	-	23,163	976	-	976	-	32,016
Food Service	17,262	-	17,262	-	-	-	-	20,170
Depreciation	23,233	-	23,233	4,451	-	4,451	-	30,227
Management and General:								
General Administration	20	-	20	937	-	937	-	168,190
Business Services	405,088	-	405,088	5,432	-	5,432	(632,730)	133,292
Central Services	13,571	-	13,571	4,380	-	4,380	-	142,088
Total Expenses	2,994,409	-	2,994,409	613,840	-	613,840	(632,730)	5,343,950
Change in Net Assets	(1,767)	(1,910)	(3,677)	30,373	-	30,373	-	(87,698)
Net Assets, Beginning of Period	327,702	1,910	329,612	(16,631)		(16,631)	-	714,414
Net Assets, End of Period	\$ 325,935	\$ -	\$ 325,935	\$ 13,742	\$ -	\$ 13,742	\$ -	\$ 626,716

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

JCFA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	CMO	WEST BANK	EAST BANK	LAYAYETTE	INTERFUND ELIMINATIONS	2018 COMBINED TOTALS
Cash Flows from Operating Activities						
Change in Net Assets	\$ (140,087)	\$ 25,693	\$ (3,677)	\$ 30,373	\$ -	\$ (87,698)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities						
Depreciation	729	1,814	23,233	4,451	-	30,227
Decrease (Increase) in:						
Accounts Receivable	29,305	(57,082)	53,129	78,448	-	103,800
Prepaid Expenses	4,255	25,745	26,202	(5,371)	-	50,831
Due From Other Funds	(398,949)	(409,472)	(330,316)	-	-	(1,138,737)
(Decrease) Increase in:						
Accounts Payable and Accrued Liabilities	135	(22,271)	2,573	694	-	(18,869)
Due to Other Funds	504,612	333,663	398,949	(98,487)	-	1,138,737
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>(101,910)</u>	<u>170,093</u>	<u>10,108</u>	<u>-</u>	<u>78,291</u>
Cash Flows from Investing Activities						
Purchase of fixed assets	-	-	-	(10,108)	-	(10,108)
Net Cash (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,108)</u>	<u>-</u>	<u>(10,108)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>-</u>	<u>(101,910)</u>	<u>170,093</u>	<u>-</u>	<u>-</u>	<u>68,183</u>
Cash and Cash Equivalents, Beginning of Period	<u>-</u>	<u>192,418</u>	<u>143,956</u>	<u>-</u>	<u>-</u>	<u>336,374</u>
Cash and Cash Equivalents, End of Period	<u>\$ -</u>	<u>\$ 90,508</u>	<u>\$ 314,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,557</u>

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

JCFA
NOTES TO COMBINING FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: Summary of Significant Accounting Policies

The JCFA (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 27, 2010. The School applied to the Jefferson Parish School Board to operate a Type I charter school. The Jefferson Parish School Board approved the charter of the School for a period of five years commencing on July 1, 2010 and ending on June 30, 2015. Effective July 1, 2015, the charter was renewed for an additional 5 years expiring June 30, 2020. The School serves eligible students in eighth through twelfth grade.

On October 19, 2011 the State Board of Elementary and Secondary Education (BESE) approved JCFA as an alternative school. The School is required to renew their status as an alternative school annually.

In December 2012, JCFA applied to BESE to operate a Type II charter school at a second location in Jefferson Parish, referred to as the East Bank Campus. BESE has approved a three year charter renewal, effective July 1, 2018 and ending June 30, 2021.

In June 2017, JCFA applied to BESE to operate a Type II charter school in Lafayette, Louisiana. BESE approved a four year contract, effective July 1, 2017 and ending June 30, 2021.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the combining financial statements. The combining financial statements of the School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors, and others entered into by the organization in the course of its business.

Temporarily Restricted Net Assets – assets whose restrictions lapse with the passage of time and/or purpose.

Permanently Restricted Net Assets – assets whose restrictions do not lapse with the passage of time.

Presently, the School has no permanently restricted net assets.

JCFA
NOTES TO COMBINING FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of combining financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Property and Equipment

Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation is calculated using the straight line method with useful lives of 2 to 5 years.

Income Taxes

The School is operating under Section 501(c)(3) of the Internal Revenue Code, and is generally exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the combining financial statements.

Cash and Cash Equivalents

For purposes of the combining statement of cash flows, the School considers all unrestricted cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

NOTE 2 - Cash and Cash Equivalents

At June 30, 2018 cash consists of demand deposits in a local bank of \$404,557.

NOTE 3 - Accounts Receivable

Accounts receivable are stated at the amount the School expects to collect from outstanding balances. The combining financial statements do not include an estimate for an allowance for doubtful accounts since the School believes all receivables are collectible.

JCFA
NOTES TO COMBINING FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – Concentrations

The School received approximately 99% of its total revenues from Federal and State grantors. The School maintains cash balances at a financial institution. Cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the School's amounts may exceed the federally insured limits.

NOTE 5 – Contingencies

Amounts received or receivable from federal, state or local agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by such agencies cannot be determined at this time, although the School expects any such amounts to be immaterial.

NOTE 6 - Retirement Plan

The School provides a 401(k) plan for all regular full-time employees. An employee becomes eligible to participate in the plan on the first day of the month following the date of hire. Contributions to the plan are made by way of pre-tax salary deferrals and are made at the sole discretion of the employee up to the maximum amount allowed by federal law. The School will make a matching contribution equal to two times the amount of the employee contribution up to a maximum of 12%, and all employees are immediately vested. For the year ended June 30, 2018, the School recorded retirement contributions in the amount of \$245,999.

NOTE 7 - Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 8 - Leases

The School leases buildings at 475 Manhattan Boulevard, Gretna, Louisiana, under the terms of an operating lease expiring June 30, 2019.

The School leases buildings at 3410 Jefferson Highway, Jefferson, Louisiana under the terms of an operating lease expiring June 30, 2021.

The School leases buildings at 1415 Teche Street, New Orleans, Louisiana under the terms of an operating lease expiring June 30, 2019.

The School leases buildings at 1501 Ambassador Caffery Parkway, Lafayette, Louisiana under the terms of an operating lease expiring June 30, 2019.

JCFA
NOTES TO COMBINING FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – Leases (Continued)

For the year ended June 30, 2018, total rent expense amounted to \$258,800.

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

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2019	\$278,600
June 30, 2020	90,000
June 30, 2021	<u>100,000</u>
Total	<u>\$468,600</u>

NOTE 9 - Fixed Assets

For the year ended June 30, 2018, depreciation expense was \$30,227.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were acquired. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, any assets purchased with those funds will revert back to the State of Louisiana.

NOTE 10 - Uncertain Income Taxes

The School has 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 combining statement of financial position or combining statement of activities.

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 review by various taxing authorities. The School's open audit period is 2015-2017. Management has evaluated the School's tax positions and concluded that the School has taken no uncertain tax positions that require adjustment to the combining financial statements to comply with the provisions of this guidance.

NOTE 11 – Temporarily Restricted Net Assets

For the year ended June 30, 2018, temporarily restricted net assets of \$1,910 were released by satisfying time or purpose restrictions. At June 30, 2018, there were no temporarily restricted net assets.

NOTE 12 - Date of Management's Review

Management has evaluated subsequent events through the date that the combining financial statements were available to be issued, October 27, 2018.



**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**

October 27, 2018

The Board of Governance
JCFA

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 combining financial statements of JCFA (a nonprofit organization), which comprise the combining statement of financial position as of June 30, 2018 and the related combining statements of activities, and cash flows for the year then ended, and the related notes to the combining financial statements, and have issued our report thereon dated October 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the combining financial statements, we considered JCFA'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 combining financial statements, but not for the purpose of expressing an opinion on the effectiveness of JCFA's internal control. Accordingly, we do not express an opinion on the effectiveness of the JCFA'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 combining 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 JCFA's combining 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 JCFA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hienz & Macaluso, LLC
Metairie, LA

JCFA
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE PERIOD ENDED JUNE 30, 2018

Section I – Summary of Auditor’s Results

Internal Control and Compliance Material to the Combining Financial Statements

Type of auditor’s report issued	Unmodified
<input type="checkbox"/> Material weakness(es) identified?	No
<input type="checkbox"/> Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Internal Control and Compliance Material to Federal Awards

Not applicable.

Management Letter

Not applicable.

Section II – Findings Affecting the Financial Statements

Not applicable.

JCFA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE PERIOD ENDED JUNE 30, 2018

Section I – Summary of Auditor’s Results

Internal Control and Compliance Material to the Combining Financial Statements

Not applicable.

Internal Control and Compliance Material to Federal Awards

Not applicable.

Management Letter

Not applicable.

JCFA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD
FOR THE PERIOD ENDED JUNE 30, 2018

Agency Head:

Millie M. Harris

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 111,309
Benefits - Employer portion of retirement	13,357
Benefits - Employer portion of medical, dental and vision	5,002
Benefits - Employer portion of disability	727
Reimbursements	5,218
Total	<u><u>\$ 135,613</u></u>

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



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

October 27, 2018

The Board of Governance
JCFA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of JCFA (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 JCFA 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 I. Management of JCFA 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 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

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

- 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 1st 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 as 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 and 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 perform 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 JCFA as required by Louisiana Revised Statute 24:514.I, 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.

Hienz & Macaluso, LLC
Metairie, LA

JCFA
Jefferson Parish, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018

<u>General Fund Instructional and Equipment Expenditures</u>	Column B
General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$884,177
Other Instructional Staff Activities	323,788
Instructional Staff Employee Benefits	308,583
Purchased Professional and Technical Services	9,775
Instructional Materials and Supplies	38,853
Instructional Equipment	<u>5,098</u>
Total Teacher and Student Interaction Activities	\$1,570,274
Other Instructional Activities	\$214,555
Pupil Support Services	\$624,981
Less: Equipment for Pupil Support Services	<u>-</u>
Net Pupil Support Services	<u>\$624,981</u>
Instructional Staff Services	\$270,905
Less: Equipment for Instructional Staff Services	<u>-</u>
Net Instructional Staff Services	<u>\$270,905</u>
School Administration	\$819,111
Less: Equipment for School Administration	<u>-</u>
Net School Administration	<u>\$819,111</u>
Total General Fund Instructional Expenditures (Total of Column B)	<u><u>\$3,499,826</u></u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)	<u><u>-</u></u>

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

JEFFERSON CHAMBER FOUNDATION ACADEMY
Harvey, Louisiana

JCFA
 Jefferson Parish, Louisiana

Schedule 2

Class Size Characteristics
 As of October 1, 2017

	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High	95%	177	3%	5	2%	3	1%	1
High Activity Class	92%	22	4%	1	4%	1	0%	0
Combination								
Combination Activity Class								

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

STATEWIDE AGREED-UPON PROCEDURES



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

October 27, 2018

To the Board of Governance of JCFA and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by JCFA (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, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations), 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
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity's written policies and procedures address each of the above categories and subcategories as applicable.

Bank Reconciliations

2. 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.

3. Ask management to identify the entity's main operating account. Select the entity'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);

Bank reconciliations include evidence that they were 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).

The 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.

- 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.

Not applicable.

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, LA