

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2018 and 2017
AND FOR THE YEARS THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA

Annual Financial Statements
As of and for the Years Ended June 30, 2018 and 2017
With Supplementary Information Schedules

TABLE OF CONTENTS

	Schedule	Page
INDEPENDENT AUDITOR'S REPORT-----		1-2
SECTION I - FINANCIAL STATEMENTS		
Statements of Financial Position-----		3
Statements of Activities-----		4
Statements of Cash Flows-----		5
Notes to the Financial Statements-----		6-9
SECTION II - SUPPLEMENTARY INFORMATION		
Schedule of Board of Directors-----		10
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer-----		11
SECTION III - INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----		12-13
Summary of Findings-----		14
Status of Prior Year Audit Findings-----		15
Status of Current Year Findings, Recommendations, and Corrective Action Plan-----		16

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA

Annual Financial Statements
As of and for the Years Ended June 30, 2018 and 2017
With Supplementary Information Schedules

TABLE OF CONTENTS

	Schedule	Page
SECTION IV - SCHEDULES REQUIRED BY LOUISIANA STATE LAW		
Independent Accountant's Report on Applying Agreed-Upon Procedures -----		17-18
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources -----	1	19
Class Size Characteristics -----	2	20
Independent Accountant's Report on Applying Agreed-Upon Procedures -----		21
Supplementary Schedule of Agreed-Upon Procedures and Findings -----		22-28



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Delta Charter Group
Ferriday, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Delta Charter Group (the School), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial assets of the School as of June 30, 2018 and 2017, and the changes in its financial 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Board of Directors and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Performance and Statistical Data, included as Schedules 1 and 2, are not a required part of the basic financial statement, 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 Auditor's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Natchez, Mississippi
December 27, 2018

**SECTION I
FINANCIAL STATEMENTS**

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	2018	2017
Assets		
Current assets		
Cash	\$ 1,400,354	\$ 1,410,681
Cash – school activity funds	185,411	155,062
Accounts receivable	27,779	17,290
Prepaid expenses	-	-
Total current assets	\$ 1,613,544	\$ 1,583,033
Fixed assets		
Property and equipment, net	\$ 859,272	\$ 909,970
Total fixed assets, net	\$ 859,272	\$ 909,970
 Total assets	 \$ 2,472,816	 \$ 2,493,003
 Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 55,824	\$ 100,448
Due school activity funds	185,411	155,062
Payroll liabilities	279,090	297,346
Accrued expenses	62,512	69,002
Notes payable – current portion	12,856	70,640
Total current liabilities	\$ 595,693	\$ 692,498
Long-term liabilities		
Notes payable – long-term portion	\$ 36,757	\$ -
Total liabilities	\$ 632,450	\$ 692,498
Net assets		
Unrestricted	\$ 1,840,366	\$ 1,800,505
Total net assets	\$ 1,840,366	\$ 1,800,505
 Total liabilities and net assets	 \$ 2,472,816	 \$ 2,493,003

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

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Support and Revenue		
State public school funding	\$ 4,310,934	\$ 4,429,763
Federal sources	334,652	251,762
Meal income	14,502	32,321
Donations	5,300	18,304
Other income	34,230	27,709
Gain on sale of fixed assets	<u>\$ 2,000</u>	<u>\$ -</u>
 Total support and revenue	 <u>\$ 4,701,618</u>	 <u>\$ 4,759,859</u>
Expenses		
Program expenses		
Regular programs	\$ 2,343,373	\$ 2,259,623
School administration	442,350	356,252
Food service	159,553	200,306
Operation and maintenance of plant	281,553	299,355
Special education programs	418,244	406,751
Special programs	95,977	90,858
Pupil support	278,289	267,408
Other instructional programs	117,530	125,777
Instructional staff services	27,670	5,410
Student transportation	5,421	3,540
Depreciation	158,640	99,359
Gifted and talented	2,216	2,347
Management and general		
Business services	187,487	176,908
General administration	138,911	90,992
Debt services - interest	<u>4,543</u>	<u>7,076</u>
 Total expenses	 <u>\$ 4,661,757</u>	 <u>\$ 4,391,962</u>
 Increase in net assets	 \$ 39,861	 \$ 367,897
Net assets at beginning of year	<u>1,800,505</u>	<u>1,432,608</u>
Net assets at end of year	<u>\$ 1,840,366</u>	<u>\$ 1,800,505</u>

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

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Increase in net assets	\$ 39,861	\$ 367,897
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	158,640	99,359
Gain on sale of fixed assets	(2,000)	-
Changes in assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	(10,489)	32,184
Prepaid expenses	-	66,881
Increase (decrease) in liabilities:		
Accounts payable	(46,626)	27,579
Due school activities	30,349	69,389
Payroll liabilities	(18,256)	27,346
Accrued expenses	<u>(6,488)</u>	<u>(6,098)</u>
Net cash provided by operating activities	<u>\$ 144,991</u>	<u>\$ 684,537</u>
Cash flows from investing activities		
Loan proceeds - bus	<u>\$ 54,000</u>	<u>\$ -</u>
Net cash provided by investing activities	<u>\$ 54,000</u>	<u>\$ -</u>
Cash flows from capital and related financing activities		
Principal paid on debt	\$ (75,027)	\$ (145,956)
Purchase of land, building, and equipment	<u>(103,942)</u>	<u>(92,620)</u>
Net cash used for capital and related financing activities	<u>\$ (178,969)</u>	<u>\$ (238,576)</u>
Net increase in cash	\$ 20,022	\$ 445,961
Cash at beginning of year	<u>1,565,743</u>	<u>1,119,782</u>
Cash at end of year	<u>\$ 1,585,765</u>	<u>\$ 1,565,743</u>
Supplementary disclosure of cash flow information		
Interest paid	<u>\$ 4,543</u>	<u>\$ 7,076</u>

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

NOTES TO THE FINANCIAL STATEMENTS

THE DELTA CHARTER GROUP
 FERRIDAY, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Delta Charter Group (the School) was granted a Type 2 charter by the Louisiana Board of Elementary or Secondary Education to provide educational services in Louisiana to students beginning with the 2014-2015 school year. The School served eligible students in kindergarten through twelfth grade in the 2017-2018 school year and was authorized for 484 students. The School is governed by a seven-member Board of Directors.

A. Financial Reporting

The School follows the guidance of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. The School is required to report information regarding its financial assets and activities according to three classes of financial assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first and then the unrestricted resources.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

C. Revenues

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded through the State Public School Fund. The School receives funding per eligible student in attendance on October 1, payable in monthly installments. Adjustments are normally made in the following year.

State and Federal grants are generally on a cost-reimbursement basis whereby revenues are recognized when related eligible expenses are incurred.

D. Property, Plant, and Equipment

The School has adopted the practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$1,000 and the useful life exceeds one year. Fixed assets 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 of capital assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the capital assets of the School:

<u>Asset</u>	<u>Useful Life (in years)</u>
Buildings	40 years
Equipment	5 years

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Compensated Absences

The School grants all twelve-month employees of the School a total of 30 days of paid sick leave per year. Sick leave may be accumulated from year to year, not to exceed 90 days. Upon retirement or death prior to retirement, the School will pay to the employee or his/her estate any unused sick leave, not to exceed 25 days. In addition, all full-time personnel employed on a twelve-month fiscal year basis are entitled to annual leave of 18 days per year, based upon years of consecutive service. Compensated absences accrued as of June 30, 2018 and 2017, were \$11,958 and \$9,674 respectively, and are included in accrued expenses on the statement of financial position.

F. Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501 (c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

G. Use of Estimates

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

H. Concentrations

The School received 92% of its revenues in the year ended June 30, 2018, from the State of Louisiana's Minimum Foundation Program, in accordance with its charter school contract with the State.

NOTE 2 - CASH

The School's cash (bank balance) was \$1,822,702 as of June 30, 2018. Of this amount, \$435,411 was covered by Federal Deposit Insurance Corporation, and \$1,387,291 was unsecured. The School's cash (bank balance) was \$1,585,318 as of June 30, 2017. Of this amount, \$410,641 was covered by Federal Deposit Insurance Corporation, and \$1,174,677 was unsecured.

NOTE 3 - GRANTS AND OTHER RECEIVABLES

Accounts receivables are as follows:

	<u>2018</u>	<u>2017</u>
Title I - Minimum Foundation	\$ 14,364	\$ 17,290
LHSAA	2,765	-
Carl Perkins	10,650	-
Total	<u>\$ 27,779</u>	<u>\$ 17,290</u>

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 4 - SCHOOL ACTIVITY FUNDS

School Activity Funds are monies collected through dues, fundraisers, admissions, or other money-generating activity by an organizational unit within the School. It also includes donations from outside sources when such donation is made for a specific or restricted purpose. These monies are kept separate from governmental monies provided for regular instructional programs or facilities.

NOTE 5 - FIXED ASSETS

A summary of fixed assets as of June 30, 2018 and 2017, is as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 105,440	\$ 105,440
Buildings and improvements	687,599	687,599
Equipment	479,029	375,087
Accumulated depreciation	<u>(412,796)</u>	<u>(258,156)</u>
Total	<u>\$ 859,272</u>	<u>\$ 909,970</u>

Depreciation expense for the years ended June 30, 2018 and 2017, was \$158,640 and \$99,359, respectively.

NOTE 6 - RETIREMENT PLAN

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the Plan follows.

Plan Description. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana, 70804-9123.

Funding Policy. Plan members are required to contribute 8% of their annual covered salary in 2018 and 2017. The School is required to contribute at an actuarially determined rate. The current rate is 28% of annual eligible covered payroll. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the Plan were \$574,260 for the year ended June 30, 2018, and \$530,665 for the year ended June 30, 2017, which is equal to the required contribution.

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 7 - NOTES PAYABLE

The following is a summary of changes in long-term liabilities in the statement of financial assets for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Note payable	\$ 27,799	\$ -	\$ 27,799	\$ -	\$ -
Note payable	42,841	-	40,304	2,537	2,537
Note payable	-	54,000	6,924	47,076	10,319
	<u>\$ 70,640</u>	<u>\$ 54,000</u>	<u>\$ 75,027</u>	<u>\$ 49,613</u>	<u>\$ 12,856</u>

Notes payable at June 30, 2018, are comprised of the following:

	2018	2017
Note payable of \$373,223 due in 42 payments of \$9,565 per month, bearing interest of 4.25%, due 9/21/2017. Secured by building and land.	\$ -	\$ 27,799
Note payable of \$88,790 due in 59 payments of \$671 per month with last payment of \$65,996 due 12/21/2018, bearing interest of 4.25%. Secured by building and land.	2,537	42,841
Note payable of \$54,000 due in 59 payments of \$1,083 per month, bearing interest of 4.5% due, 9/22/2022. Secured by bus.	47,076	-
Total	<u>\$ 49,613</u>	<u>\$ 70,640</u>

The annual requirement to amortize notes payable as of June 30, 2018, are as follows:

Year Ended	Loan 2		Loan 3	
	Principal	Interest	Principal	Interest
6/30/2019	\$ 2,537	\$ 1,414	\$ 10,319	\$ 1,905
6/30/2020	-	-	10,749	1,472
6/30/2021	-	-	11,244	991
6/30/2022	-	-	14,764	496
	<u>\$ 2,537</u>	<u>\$ 1,414</u>	<u>\$ 47,076</u>	<u>\$ 4,864</u>

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 27, 2018, noting there were no items that require disclosure.

NOTE 9 - LITIGATION

The Delta Charter School is a defendant along with the Concordia Parish School Board in a lawsuit involving a 50-year-old desegregation suit. A ruling was rendered in June 2017 concerning the case; however, a stay was granted to Delta Charter School for the 2017-2018 school year. The school is currently working with a court-appointed special master on ways to help meet the requirements set forth in the ruling.

SECTION II
SUPPLEMENTARY INFORMATION

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
SCHEDULE OF BOARD OF DIRECTORS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

<u>Board Members</u>	<u>Compensation</u>
Michael Burley, Board President	\$ -
Craig Jackson, Vice President	\$ -
Hilie McFarland, Secretary	\$ -
Mike Rabb, Treasurer	\$ -
Johnny Taylor	\$ -
Nan Huff	\$ -
Keith Dallalio	\$ -
Kenneth Simpson	\$ -
Sheila Dye	\$ -

See Independent Auditor's Report.

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

Agency Head Name: Michael Burley, Board President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
	<u> -</u>
	<u>\$ -</u>

See Independent Auditor's Report.

SECTION III
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE



209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

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

Board of Directors
The Delta Charter Group
Ferriday, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Delta Charter Group (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 December 27, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi
December 27, 2018

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
SUMMARY OF FINDINGS
JUNE 30, 2018

Section I - Summary of Audit Results

Financial Statements

- | | |
|---|-------------|
| 1. Type of auditor's report | Unqualified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified | None |
| b. Significant deficiencies identified and not considered to be material weaknesses | None |
| c. Noncompliance noted | None |

THE DELTA CHARTER GROUP
 FERRIDAY, LOUISIANA
 STATUS OF PRIOR YEAR AUDIT FINDINGS
 JUNE 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Status
----------	---	------------------------	--------

Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS,
AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status</u>
-----------------	---	-------------------------------	---------------

Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

SECTION IV
SCHEDULES REQUIRED BY LOUISIANA STATE LAW

**THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA**

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

FOR THE YEAR ENDED JUNE 30, 2018



209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551
www.silassimmons.com

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

Board of Directors
The Delta Charter Group
Ferriday, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Delta Charter Group (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education Bulletin, as related to the limited procedures performed herein. The School's management is responsible for the School's data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplementary information and are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total general fund instructional expenditures,
 - Total general fund equipment expenditures, and
 - Total state revenue in lieu of taxes.

We noted no exceptions.

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 compared this information to the October 1 class size report obtained from LA DOE and determined if the class was properly classified on the schedule.

We noted no exceptions.

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

3. We obtained October 1 PEP data submitted to the Department of Education, 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 were properly classified on the PEP data or equivalent listing prepared by management.

We noted no exceptions.

Public School Staff Data (No Schedule)

4. We obtained June 30 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.

We noted no exceptions.

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 Delta Charter Group, 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.

Silas Simms, LLP

Natchez, Mississippi
December 27, 2018

THE DELTA CHARTER GROUP
FERRIDAY, LOUISIANA
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2018

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,392,241	
Other instructional staff activities	117,530	
Instructional staff employee benefits	392,933	
Purchased professional and technical services	59,260	
Instructional materials and supplies	68,763	
Instructional equipment	<u>76,801</u>	
Total teacher and student interaction activities		\$ 2,107,528
Other instructional activities		60,552
Pupil support services	\$ 278,289	
Less: Equipment for pupil support services	<u>-</u>	
Net pupil support services		278,289
Instructional staff services	\$ 27,670	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		27,670
School administration	\$ 442,350	
Less: Equipment for school administration	<u>-</u>	
Net school administration		<u>442,350</u>
Total general fund instructional expenditures		<u>\$ 2,916,379</u>
Total general fund equipment expenditures		<u>\$ 76,801</u>

Certain Local Revenue Sources

Local taxation revenue:		
Constitutional ad valorem taxes	\$ -	
Renewable ad valorem tax	-	
Debt service ad valorem tax	-	
Up to 1% of collections by the Sheriff on taxes other than School taxes	-	
Sales and use taxes	<u>-</u>	
Total local taxation revenue		<u>\$ -</u>
Local earnings on investment in real property:		
Earnings from 16 th Section property	\$ -	
Earnings from other real property	<u>-</u>	
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	<u>-</u>	
Total state revenue in lieu of taxes		<u>\$ -</u>
Nonpublic textbook revenue		<u>\$ -</u>
Nonpublic transportation revenue		<u>\$ -</u>

See Independent Auditor's Report.

THE DELTA CHARTER GROUP
 FERRIDAY, LOUISIANA
 CLASS SIZE CHARACTERISTICS
 FOR THE YEAR ENDED JUNE 30, 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	85%	22	15%	4	-	-	-	-	-
Combination activity classes	-	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students, and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.



209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551
www.silassimmons.com

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

To the Delta Charter Group
and the Louisiana Legislative Auditor

We have performed the procedures in the attached supplement, which were agreed to by The Delta Charter Group (the School) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The School's management is responsible for those control and compliance 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.

Our procedures and findings are included in the supplement to this report.

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 control and compliance 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 control and compliance 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.

Silas Simmons, LLP

Natchez, Mississippi
December 27, 2018

THE DELTA CHARTER GROUP
 SUPPLEMENTARY SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2018

Written Policies and Procedures

1. Procedure: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - 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. 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).
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - 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.
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: The above procedures were not performed in the current year due to no exceptions in prior year testing.

Board or Finance Committee

2. Procedures: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: The above procedures were not performed in the current year due to no exceptions in prior year testing.

Bank Reconciliations

3. Procedures: 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 entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). 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 two months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - 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
 - 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.

Findings: We obtained a list of bank accounts from the list management gave for bank confirmations and selected all three of the School's bank accounts. We obtained the related bank statements and randomly selected one month from the fiscal period to review whether bank reconciliations had been prepared within two months of the related statement closing date, included evidence of a member of management unrelated to the cash collection/disbursement processes had reviewed each bank reconciliation, and included documentation that management has researched reconciling items that have been outstanding for more than 12 months from that statement closing date.

No exceptions were noted during the above procedures.

Collections

4. Procedures: Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Findings: We obtained a list of deposit sites from management and management's representation that the School has only one location where deposits are prepared.

No exceptions were noted during the above procedure.

5. Procedures: For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee verifies the reconciliation.

Findings: For the School's only deposit site, we inquired of employees about the cash collections functions and obtained and inspected written policies and procedures in regards to the segregation of duties for the process.

No exceptions were noted during the above procedures.

6. Procedures: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: We inquired of management to determine that all employees with access to cash are covered by an insurance policy for theft.

No exceptions were noted during the above procedures.

7. Procedures: Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected, and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits, and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: For the three bank accounts under Procedure 3, two dates were randomly selected and the supporting documentation was observed and traced according to the above procedures.

No exceptions were noted during the above procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Procedures: Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Findings: We obtained a list of locations that process payments and management's representation that the listing is complete. The School has one location for processing payments.

No exceptions were noted during the above procedures.

9. Procedures: For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: Using the School's one location, we inquired of employees involved with non-payroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedures.

10. Procedures: For each location selected under Procedure 8, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

Findings: For the single location from Procedure 8, we obtained the non-payroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Procedures: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The above procedure was not performed in the current year due to no exceptions in prior year testing.

12. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

13. Procedures: Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Procedures: Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Contracts

15. Procedures: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Payroll and Personnel

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

The above procedures were not performed in the current year due to no exceptions in prior year testing.

17. Procedures: Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 16, 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).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

18. Procedures: 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 employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Debt Service

19. Procedures: Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

20. Procedures: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

The above procedures were not performed in the current year due to no exceptions in prior year testing.

Other

21. Procedures: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The above procedure was not performed in the current year due to no exceptions in prior year testing.

22. Procedures: Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The above procedures were not performed in the current year due to no exceptions in prior year testing.