

InspireNOLA CHARTER SCHOOLS

FINANCIAL REPORT

For the Year Ended June 30, 2018

InspireNOLA CHARTER SCHOOLS

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

December 14, 2018

Board of Directors of
InspireNOLA Charter Schools
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying combining financial statements of InspireNOLA Charter Schools, ("InspireNOLA") (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 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 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 financial statements are free from material misstatement.

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

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of InspireNOLA Charter Schools, 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, the combining schedule of financial position, the combining schedule of activities and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code Of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the combining 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2018, on our consideration of InspireNOLA'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 InspireNOLA's internal control over financial reporting and compliance.

Hienz & Macaluso, LLC

Metairie, LA

BASIC FINANCIAL STATEMENTS

InspireNOLA CHARTER SCHOOLS
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,665,147
Investments	1,501,395
Grants receivable	2,942,975
Other receivables	150,539
Due from pooled cash	-
Prepaid expenses	316,649
Deposits	78,409
Total Current Assets	<u>\$ 10,655,114</u>

PROPERTY AND EQUIPMENT

Building and improvements	114,366
Office equipment	53,771
Less: accumulated depreciation	<u>(69,908)</u>
Total Property and Equipment, Net	<u>98,229</u>

Total Assets	<u><u>10,753,343</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	722,998
Accrued expenses	2,216,510
Due to pooled cash	-
Total Current Liabilities	<u>2,939,508</u>

LONG-TERM LIABILITIES

Loans payable	<u>225,000</u>
Total Long-Term Liabilities	<u>225,000</u>

Total Liabilities	<u>3,164,508</u>
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NET ASSETS

Unrestricted	6,597,127
Temporarily restricted	<u>991,708</u>
Total Net Assets	<u>7,588,835</u>

Total Liabilities and Net Assets	<u><u>\$ 10,753,343</u></u>
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The accompanying notes are an integral part of these financial statements.

InspireNOLA CHARTER SCHOOLS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

REVENUES	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
State public school funding	\$ 35,473,437	\$ -	\$ 35,473,437
Federal grants	7,247,528	-	7,247,528
Other state funding	261,762	-	261,762
Donations and contributions	2,994,341	338,627	3,332,968
Other income	753,284	80,690	833,974
Net assets released from restrictions	798,804	(798,804)	-
Total Revenues	<u>47,529,156</u>	<u>(379,487)</u>	<u>47,149,669</u>
EXPENSES			
Program services			
Regular educational programs	13,159,452	-	13,159,452
Special education programs	3,376,345	-	3,376,345
Career and technical education programs	1,014,271	-	1,014,271
Other instructional programs	1,976,477	-	1,976,477
Special programs	2,378,651	-	2,378,651
Pupil support services	2,914,834	-	2,914,834
Instructional staff services	3,490,730	-	3,490,730
School administration	6,073,083	-	6,073,083
Student transportation services	3,671,024	-	3,671,024
Operation and maintenance of plant	3,933,789	-	3,933,789
Food service operations	2,254,263	-	2,254,263
Management and general			
Business administration	1,812,166	-	1,812,166
Central services	1,605,721	-	1,605,721
General administration	721,917	-	721,917
Total Expenses	<u>48,382,723</u>	<u>-</u>	<u>48,382,723</u>
Change in Net Assets	(853,567)	(379,487)	(1,233,054)
Net Assets, Beginning of Year	<u>7,450,694</u>	<u>1,371,195</u>	<u>8,821,889</u>
Net Assets, End of Year	<u>\$ 6,597,127</u>	<u>\$ 991,708</u>	<u>\$ 7,588,835</u>

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

InspireNOLA CHARTER SCHOOLS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (1,233,054)
Adjustments to reconcile change in net assets to to net cash (used) by operating activities:	
Depreciation	14,242
(Increase) decrease in current assets:	
Grants receivable	61,738
Other receivables	(83,160)
Prepaid expenses	92,001
Deposits	(43,287)
Increase (decrease) in current liabilities:	
Accounts payable	(201,163)
Accrued expenses	686,669
Due to other agencies	(241,482)
Net cash (used) by operating activities	<u>\$ (947,496)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(1,501,395)
Purchase of property and equipment	<u>(15,240)</u>
Net cash (used) by investing activities	<u>(1,516,635)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from loans payable	<u>100,000</u>
Net cash provided by financing activities	<u>100,000</u>

Net decrease in cash and cash equivalents (2,364,131)

Cash and cash equivalents, beginning of year 8,029,278

Cash and cash equivalents, end of year \$ 5,665,147

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

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Orleans Parish School Board (“OPSB”) authorized by the Charter School Demonstration Programs Law and approved by the State Board of Elementary and Secondary Education (“BESE”), granted to InspireNOLA, a nonprofit organization organized under the laws of the State of Louisiana and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, charters to operate one high school and one elementary school. The charters are effective for five (5) years expiring June 30, 2018.

As authorized by the operating agreement between OPSB and InspireNOLA, InspireNOLA operates the following schools through June 30, 2018: Alice M. Harte Elementary and Edna Karr Senior High. On March 17, 2015, OPSB approved the Type I charter for Andrew Wilson Charter School. InspireNOLA will operate the charter school effective July 1, 2015 for five (5) years expiring on June 30, 2021. On March 16, 2017 and April 20, 2017, respectively, OPSB approved Type 3 charters for McDonogh 42 Elementary Charter School and Eleanor McMain Secondary School effective July 1, 2017 through June 30, 2022.

Basis of Accounting

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

Basis of Presentation

InspireNOLA follows the provisions of the Not-For-Profit Entities Topic of Financial Accounting Standards Board Accounting Standards Codification 958, which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate classes of net assets, as follows:

- Unrestricted – net assets are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily restricted – net assets whose use are limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of InspireNOLA pursuant to such stipulations. At June 30, 2018, temporarily restricted net assets totaled \$991,708.
- Permanently restricted – net assets whose use are limited by donor imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of InspireNOLA. At June 30, 2018, there were no permanently restricted net assets.

Estimates

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

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Cash Equivalents

For the purpose of the combining statement of cash flows, InspireNOLA considers all unrestricted highly-liquid investments with an initial maturity of less than three months to be cash and cash equivalents.

Receivables

Grants and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Management closely monitors outstanding balances and writes off any balances that are deemed uncollectible and therefore does not record an allowance for doubtful accounts.

Property and Equipment

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. InspireNOLA maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	27 years
Office equipment	5 years

For the year ended June 30, 2018, depreciation expense was \$14,242.

Assets acquired with Louisiana Department of Education (LDOE) funds are owned by InspireNOLA while used in the purpose for which it was purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Public Support and Revenue

InspireNOLA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education. Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Public Support and Revenue (continued)

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

Income Tax Status

InspireNOLA is a Louisiana non-profit organization recognized by the Internal Revenue Service as a Section 501(c) (3) tax-exempt organization. An IRS Form 990, Return of Organization Exempt from Income Tax, must be filed annually. InspireNOLA believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that require adjustment to the financial statements. Penalties and interest, if any, would be included in income tax expense.

InspireNOLA's federal Form 990 for 2014 through 2016 is subject to examination by the IRS, generally for three years after it was filed. As of the date of this report, an extension has been filed for the 2017 Form 990, which is for the fiscal year ended June 30, 2018.

NOTE 2 – CONCENTRATIONS

InspireNOLA maintains its cash balances at various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution for the year ending June 30, 2018. At times during the year, balances may exceed the FDIC insured amount.

For the year ended June 30, 2018, InspireNOLA received approximately 92% of its total revenues from Federal and State grantors.

NOTE 3 – RETIREMENT PLAN

Certain employees of InspireNOLA 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 for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publically 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, P.O. Box 94123, Baton Rouge, LA 70804-9123.

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – RETIREMENT PLAN (continued):

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. InspireNOLA is required to contribute at an actuarially determined rate. The rate is 26.6% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. InspireNOLA's contributions to the plan for the year ended June 30, 2018 were \$6,289,481.

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

InspireNOLA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2018 are as follows:

<u>Due from Pooled Cash</u>	<u>Amount</u>	<u>Due to Pooled Cash</u>	<u>Amount</u>
School Support Center	\$ 259,374	School Support Center	\$ 7,162,864
Harte	2,743,095	Harte	268,889
Karr	4,082,883	Karr	399,921
Wilson	406,049	Wilson	185,617
Inspire 42	369,540	Inspire 42	119,079
McMain	442,036	McMain	192,764
Eisenhower	26,157	Eisenhower	-
	<u>\$ 8,329,134</u>		<u>\$ 8,329,134</u>

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

NOTE 5 – INTERFUND TRANSFERS

InspireNOLA's transfers in (out) consist of interfund activity for the School Support Center allocation and indirect costs transfers.

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
School Support Center	\$4,847,653	School Support Center	\$3,361,521
Harte	43,006	Harte	1,017,356
Karr	472,477	Karr	1,957,658
Wilson	798,890	Wilson	844,232
Inspire 42	1,217,305	Inspire 42	536,453
McMain	1,604,058	McMain	1,333,203
Eisenhower	67,034	Eisenhower	-
	<u>\$ 9,050,423</u>		<u>\$ 9,050,423</u>

The above interfund transfers are resulting from the normal course of InspireNOLA's operations and the charter agreement between InspireNOLA and the Orleans Parish School Board.

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CONTINGENT LIABILITIES

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

InspireNOLA occupies office space under a lease with the Orleans Parish School Board. The lease was amended to expand the space effective April 1, 2017. The following schedule provides the annual payments due for subsequent years:

June 30, 2019	\$ 37,468
June 30, 2020	<u>3,122</u>
Total lease payments	<u>\$ 40,590</u>

NOTE 7 – RISK MANAGEMENT

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

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2018:

Child nutrition	\$ 14,960
Braitmayer Foundation	1,049
Gilder Lehrman	72
Project Lead the Way	5,000
Jazz Fest	54
Personalized Learning Grant	27,896
Charter School Growth Fund	519,784
Farm to School - Tides	327
Rosamary Foundation	7,644
GPOA Foundation	850
Discover Brighter Futures Fund	2,215
Best Buy	6,561
Brees Dream Foundation	7,500
The Nature Conservancy	1,000
The Greater New Orleans Foundation	2,090
Schwab Foundation	124,655
The Selley Foundation	10,000
PLG - Design Challenge	3,845
Quality Science and Mathematics	20
Career Development Funds	20,234
March for Our Lives Action Fund	2,680
Instructional Quality Initiative	116,900
Walton - ADE Award	116,372
	<u>\$ 991,708</u>

InspireNOLA CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS (continued):

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2018:

Project Lead the Way	\$ 417
Jazz Fest	3,019
Charter School Growth Fund	747,502
Just Keep Livin	2,292
Youth Force	36,090
Walton - ADE Award	9,484
	<u>\$ 798,804</u>

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2018.

**InspireNOLA CHARTER SCHOOLS
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head Name:

Jamar McKneely

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Other Compensation	54,003
Benefits - Employer portion of TRSL	60,076
Car allowance	3,600
Travel	7,411
Benefits - Employer portion of Medical	7,089
Benefits - Employer portion of Disability	1,099
Benefits - Employer portion of Vision	49
Reimbursements	<u>782</u>
	<u><u>\$ 309,109</u></u>

See the accompanying independent auditor's report.

InspireNOLA CHARTER SCHOOLS
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2018

	School Support Center	Harte	Karr	Wilson	Inspire 42	McMain	Eisenhower	Interfund Eliminations	Totals
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	\$ 5,665,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,665,147
Investments	1,501,395	-	-	-	-	-	-	-	1,501,395
Grants receivable	1,578,636	313,270	461,424	234,792	139,169	215,684	-	-	2,942,975
Other receivables	34,007	11,893	29,839	5,371	7,828	62,710	(1,109)	-	150,539
Due from pooled cash	259,374	2,743,095	4,082,883	406,049	369,540	442,036	26,157	(8,329,134)	-
Prepaid expenses	47,324	54,028	73,399	47,270	33,976	56,906	3,746	-	316,649
Deposits	-	12,444	-	22,178	19,679	24,108	-	-	78,409
Total Current Assets	9,085,883	3,134,730	4,647,545	715,660	570,192	801,444	28,794	(8,329,134)	10,655,114
PROPERTY AND EQUIPMENT									
Building and improvements	-	-	114,366	-	-	-	-	-	114,366
Office equipment	23,216	-	23,061	7,494	-	-	-	-	53,771
Less: accumulated depreciation	(9,441)	-	(56,225)	(4,242)	-	-	-	-	(69,908)
Total Property and Equipment, Net	13,775	-	81,202	3,252	-	-	-	-	98,229
Total Assets	9,099,658	3,134,730	4,728,747	718,912	570,192	801,444	28,794	(8,329,134)	10,753,343
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts payable	36,863	127,581	105,671	108,160	184,073	142,479	18,171	-	722,998
Accrued expenses	27,218	451,132	656,777	406,970	207,642	456,148	10,623	-	2,216,510
Due to pooled cash	7,162,864	268,889	399,921	185,617	119,079	192,764	-	(8,329,134)	-
Total Current Liabilities	7,226,945	847,602	1,162,369	700,747	510,794	791,391	28,794	(8,329,134)	2,939,508
LONG-TERM LIABILITIES									
Loans payable	225,000	-	-	-	-	-	-	-	225,000
Total Long-Term Liabilities	225,000	-	-	-	-	-	-	-	225,000
Total Liabilities	7,451,945	847,602	1,162,369	700,747	510,794	791,391	28,794	(8,329,134)	3,164,508
NET ASSETS									
Unrestricted	884,222	2,223,843	3,485,810	3,252	1	(1)	\$ -	-	6,597,127
Temporarily restricted	763,491	63,285	80,568	14,913	59,397	10,054	-	-	991,708
Total Net Assets	1,647,713	2,287,128	3,566,378	18,165	59,398	10,053	-	-	7,588,835
Total Liabilities and Net Assets	\$ 9,099,658	\$ 3,134,730	\$ 4,728,747	\$ 718,912	\$ 570,192	\$ 801,444	\$ 28,794	\$ (8,329,134)	\$ 10,753,343

See the accompanying independent auditor's report.

**InspireNOLA CHARTER SCHOOLS
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	School Support Center			Harte			Karr			Wilson		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES												
State public school funding	\$ -	\$ -	\$ -	\$ 7,070,497	\$ -	\$ 7,070,497	\$ 10,812,975	\$ -	\$ 10,812,975	\$ 5,774,406	\$ -	\$ 5,774,406
Federal grants	167,704	-	167,704	1,492,317	-	1,492,317	1,677,075	-	1,677,075	1,367,052	-	1,367,052
Other state funding	-	-	-	93,645	-	93,645	106,476	-	106,476	14,314	-	14,314
Donations and contributions	2,958,214	243,707	3,201,921	5,627	44,920	50,547	23,000	-	23,000	7,500	-	7,500
Other income	4,891,350	-	4,891,350	78,846	-	78,846	544,077	48,176	592,253	785,852	13,063	798,915
Net assets released from restrictions	756,986	(756,986)	-	-	-	-	41,818	(41,818)	-	-	-	-
Total Revenues	8,774,254	(513,279)	8,260,975	8,740,932	44,920	8,785,852	13,205,421	6,358	13,211,779	7,949,124	13,063	7,962,187
EXPENSES												
Program services												
Regular educational programs	2,000	-	2,000	2,622,323	-	2,622,323	3,593,061	-	3,593,061	2,370,500	-	2,370,500
Special education programs	15,982	-	15,982	830,120	-	830,120	859,015	-	859,015	465,536	-	465,536
Career and technical education programs	-	-	-	-	-	-	584,371	-	584,371	-	-	-
Other instructional programs	1,792	-	1,792	350,792	-	350,792	735,730	-	735,730	270,286	-	270,286
Special programs	-	-	-	474,750	-	474,750	422,230	-	422,230	734,051	-	734,051
Pupil support services	239,909	-	239,909	489,344	-	489,344	901,728	-	901,728	415,639	-	415,639
Instructional staff services	1,546,041	-	1,546,041	311,163	-	311,163	411,480	-	411,480	521,926	-	521,926
School administration	3,966,389	-	3,966,389	1,893,214	-	1,893,214	3,468,061	-	3,468,061	1,638,036	-	1,638,036
Student transportation services	-	-	-	517,208	-	517,208	940,084	-	940,084	623,753	-	623,753
Operation and maintenance of plant	271,676	-	271,676	760,965	-	760,965	1,010,493	-	1,010,493	648,612	-	648,612
Food service operations	-	-	-	550,812	-	550,812	655,964	-	655,964	428,182	-	428,182
Management and general												
Business administration	652,894	-	652,894	105,113	-	105,113	124,310	-	124,310	122,268	-	122,268
Central services	831,622	-	831,622	195,497	-	195,497	147,949	-	147,949	135,674	-	135,674
General administration	519,782	-	519,782	47,460	-	47,460	60,710	-	60,710	36,801	-	36,801
Total Expenses	8,048,087	-	8,048,087	9,148,761	-	9,148,761	13,915,186	-	13,915,186	8,411,264	-	8,411,264
Change in Net Assets	726,167	(513,279)	212,888	(407,829)	44,920	(362,909)	(709,765)	6,358	(703,407)	(462,140)	13,063	(449,077)
Net Assets, Beginning of Year	158,055	1,276,770	1,434,825	2,631,672	18,365	2,650,037	4,195,575	74,210	4,269,785	465,392	1,850	467,242
Net Assets, End of Year	\$ 884,222	\$ 763,491	\$ 1,647,713	\$ 2,223,843	\$ 63,285	\$ 2,287,128	\$ 3,485,810	\$ 80,568	\$ 3,566,378	\$ 3,252	\$ 14,913	\$ 18,165

See the accompanying independent auditor's report.

**InspireNOLA CHARTER SCHOOLS
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	Inspire 42			McMain			Eisenhower			Interfund Eliminations	Combined Totals
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
REVENUES											
State public school funding	\$ 3,859,539	\$ -	\$ 3,859,539	\$ 7,956,020	\$ -	\$ 7,956,020	\$ -	\$ -	\$ -	\$ -	\$ 35,473,437
Federal grants	1,309,390	-	1,309,390	1,223,785	-	1,223,785	10,205	-	10,205	-	7,247,528
Other state funding	9,544	-	9,544	37,783	-	37,783	-	-	-	-	261,762
Donations and contributions	-	50,000	50,000	-	-	-	-	-	-	-	3,332,968
Other income	1,211,456	9,397	1,220,853	2,225,092	10,054	2,235,146	67,034	-	67,034	(9,050,423)	833,974
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	6,389,929	59,397	6,449,326	11,442,680	10,054	11,452,734	77,239	-	77,239	(9,050,423)	47,149,669
EXPENSES											
Program services											
Regular educational programs	1,710,382	-	1,710,382	2,858,187	-	2,858,187	2,999	-	2,999	-	13,159,452
Special education programs	455,011	-	455,011	750,681	-	750,681	-	-	-	-	3,376,345
Career and technical education programs	-	-	-	429,900	-	429,900	-	-	-	-	1,014,271
Other instructional programs	157,485	-	157,485	460,392	-	460,392	-	-	-	-	1,976,477
Special programs	295,147	-	295,147	452,473	-	452,473	-	-	-	-	2,378,651
Pupil support services	234,637	-	234,637	633,577	-	633,577	-	-	-	-	2,914,834
Instructional staff services	295,281	-	295,281	402,119	-	402,119	2,720	-	2,720	-	3,490,730
School administration	1,517,118	-	1,517,118	2,603,923	-	2,603,923	36,765	-	36,765	(9,050,423)	6,073,083
Student transportation services	558,282	-	558,282	1,031,697	-	1,031,697	-	-	-	-	3,671,024
Operation and maintenance of plant	124,015	-	124,015	1,093,201	-	1,093,201	24,827	-	24,827	-	3,933,789
Food service operations	211,401	-	211,401	407,904	-	407,904	-	-	-	-	2,254,263
Management and general											
Business administration	687,634	-	687,634	118,947	-	118,947	1,000	-	1,000	-	1,812,166
Central services	140,384	-	140,384	147,804	-	147,804	6,791	-	6,791	-	1,605,721
General administration	3,151	-	3,151	51,876	-	51,876	2,137	-	2,137	-	721,917
Total Expenses	6,389,928	-	6,389,928	11,442,681	-	11,442,681	77,239	-	77,239	(9,050,423)	48,382,723
Change in Net Assets	1	59,397	59,398	(1)	10,054	10,053	-	-	-	-	(1,233,054)
Net Assets, Beginning of Year	-	-	-	-	-	-	-	-	-	-	8,821,889
Net Assets, End of Year	\$ 1	\$ 59,397	\$ 59,398	\$ (1)	\$ 10,054	\$ 10,053	\$ -	\$ -	\$ -	\$ -	\$ 7,588,835

See the accompanying independent auditor's report.



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

December 14, 2018

Board of Directors of
InspireNOLA Charter Schools

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 Standard* issued by the Comptroller General of the United States, the combining financial statements of InspireNOLA Charter Schools ("InspireNOLA"), as of and for the year ended June 30, 2018, and the related notes to the combining financial statements, and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the combining financial statements, we considered InspireNOLA'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 InspireNOLA's internal control. Accordingly, we do not express an opinion on the effectiveness of InspireNOLA'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 InspireNOLA'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hienz & Macaluso, LLC

Metairie, LA

SINGLE AUDIT SECTION



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

December 14, 2018

Board of Directors of
InspireNOLA Charter Schools

Report on Compliance for Each Major Federal Program

We have audited InspireNOLA Charter Schools' ("InspireNOLA") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the InspireNOLA's major federal programs for the year ended June 30, 2018. InspireNOLA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, InspireNOLA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hienz & Macaluso, LLC

Metairie, LA

InspireNOLA CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed-Through State Department of Education:		
ESEA of 1965, Title I, Part A	84.010	\$ 2,666,879
IDEA, Part B	84.027	1,158,297 ¹
ESEA of 1965, Title II, Part A	84.367	254,311
Improving Teacher Quality State Grants	84.377	191,700
School Climate Transformation	84.184	141,724
Career and Technical Education - Basic Grants to States	84.048	43,570
English Language Acquisition State Grants	84.365	21,407
Striving Readers/Comprehensive Literacy Development	84.371	21,336
Student Support and Academic Enrichment Program	84.424	22,909
Charter Schools	84.282	450,704 ¹
Gaining Early Awareness and Readiness for Undergraduate	84.334	7,026
TOTAL U.S. DEPARTMENT OF EDUCATION		4,979,863
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
National School Lunch Program		
Free and Reduced Price Meals	10.555	2,602,487
TOTAL U.S. DEPARTMENT OF AGRICULTURE		2,602,487
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
LA 4 - TANF	93.558	249,632
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		249,632
TOTAL ASSISTANCE		\$ 7,831,982

¹ Major Program

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

InspireNOLA CHARTER SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

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

2. ACCRUED AND DEFERRED REIMBURSEMENT

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

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2018.

InspireNOLA CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the combining financial statements of InspireNOLA Charter Schools.
2. No control deficiencies relating to the audit of the combining financial statements are reported in the *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.*
3. No instances of noncompliance material to the combining financial statements were disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance Required by the Uniform Guidance.*
5. The auditors' report on compliance with requirements applicable to major federal award programs for InspireNOLA Charter Schools expresses an unmodified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with the Uniform Guidance.
7. A management letter was not issued for the year ended June 30, 2018.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
Charter Schools	84.282
Special Education Grants to States	84.027
9. The threshold for distinguishing between type A and type B programs was \$750,000.
10. InspireNOLA Charter Schools was determined to be a low-risk auditee.

InspireNOLA CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2018

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

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

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

InspireNOLA CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable.

B. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

Not applicable

C. MANAGEMENT LETTER

A management letter was not issued in connection with the audit for the year ended June 30, 2017.

PERFORMANCE STATISTICAL DATA



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

December 14, 2018

To the Board of Directors of InspireNOLA Charter Schools and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by InspireNOLA Charter Schools; 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 InspireNOLA Charter Schools for the fiscal year ended June 30, 2018; 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 InspireNOLA Charter Schools 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:

PROCEDURES AND FINDINGS

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

1. We selected a random sample of 25 transactions, 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 Revenues;
 - ❖ Total Local Earnings on Investment in Real Property;
 - ❖ Total State Revenue in Lieu of Taxes;
 - ❖ Nonpublic Textbook Revenue; and
 - ❖ Nonpublic Transportation Revenue.

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

Class Size Characteristics (Schedule 2)

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

No differences were noted.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

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

No differences were noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing prepared 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 individuals' salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

No differences were noted.

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

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

Hienz & Macaluso, LLC
Metairie, LA

INSPIRENOLA CHARTER SCHOOLS
New Orleans, Louisiana

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	10,145,814	
Other Instructional Staff Activities	2,121,572	
Instructional Staff Employee Benefits	4,858,896	
Purchased Professional and Technical Services	408,142	
Instructional Materials and Supplies	879,560	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u> </u>	18,413,984
Other Instructional Activities		412,572
Pupil Support Activities	2,208,385	
Less: Equipment for Pupil Support Activities	<u> </u>	
Net Pupil Support Activities		2,208,385
Instructional Staff Services	2,582,515	
Less: Equipment for Instructional Staff Services	<u> </u>	
Net Instructional Staff Services		<u>2,582,515</u>
School Administration	4,236,412	
Less: Equipment for School Administration	<u> </u>	
Net School Administration		<u>4,236,412</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u><u>27,853,868</u></u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u><u> </u></u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue		<u><u> </u></u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		<u><u> </u></u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u><u> </u></u>
Nonpublic Textbook Revenue		<u><u> </u></u>
Nonpublic Transportation Revenue		<u><u> </u></u>

See Independent Accountant report on Agreed-Upon Procedures.

INSPIRENOLA CHARTER SCHOOLS
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2017

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	36.4%	264	32.8%	238	30.8%	223	0.0%	0
High Activity Classes	46.6%	27	6.9%	4	25.8%	15	20.7%	12
Combination	28.4%	100	36.7%	129	34.9%	123	0.0%	0
Combination Activity Classes	0.0%	0	14.3%	1	14.3%	1	71.4%	5

See Independent Accountant report on Agreed-Upon Procedures.

STATEWIDE AGREED-UPON PROCEDURES



AGREED-UPON PROCEDURES REPORT

Inspire NOLA Charter Schools

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2018

December 14, 2018

To the Board of Directors of InspireNOLA Charter Schools and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by InspireNOLA Charter Schools 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.

This agreed-upon procedures engagement was performed 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:

Bank Reconciliations

1. 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 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);
 - 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.

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No exceptions were noted.

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 those C/C areas identified in the SAUP's. 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 being performed on those C/C areas identified in the SAUP's, and the results 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 Legislative Auditor as a public document.

Hienz & Macaluso, LLC

Metairie, LA