

**LAUREATE ACADEMY CHARTER SCHOOL**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2018**

**LAUREATE ACADEMY CHARTER SCHOOL  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2018**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>5</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>11</b>
<b>SCHEDULE OF FINDINGS</b>	<b>13</b>
<b>SCHEDULE OF PRIOR YEAR FINDINGS</b>	<b>14</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO     THE AGENCY HEAD</b>	<b>15</b>
<b>SCHEDULES REQUIRED BY LOUISIANA STATE LAW (R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)</b>	
<b>INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON     PROCEDURES</b>	<b>16</b>
<b>GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND     CERTAIN LOCAL REVENUE SOURCES – SCHEDULE 1</b>	<b>20</b>
<b>EDUCATION LEVELS OF PUBLIC SCHOOL STAFF – SCHEDULE 2</b>	<b>21</b>
<b>NUMBER AND TYPE OF PUBLIC SCHOOLS – SCHEDULE 3</b>	<b>22</b>
<b>EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND     FULL-TIME CLASSROOM TEACHERS – SCHEDULE 4</b>	<b>23</b>
<b>PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES – SCHEDULE 5</b>	<b>24</b>
<b>CLASS SIZE CHARACTERISTICS – SCHEDULE 6</b>	<b>25</b>
<b>LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP) – ELA &amp;     MATH – SCHEDULE 7</b>	<b>26</b>
<b>GRADUATION EXIT EXAM – SCHEDULE 8</b>	<b>27</b>
<b>LEAP TESTS – SCIENCE &amp; SOCIAL STUDIES – SCHEDULE 9</b>	<b>28</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Laureate Academy Charter School  
Harvey, Louisiana

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

We have audited the accompanying financial statements of Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

**Opinion**

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the School 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 School's financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana state law, included as schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana state law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the Independent Accountants' 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 a report dated September 25, 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 solely 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 the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
September 25, 2018

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 446,058
Accounts Receivable	1,609
Prepaid Expenses and Other Assets	50,684
Total Current Assets	<u>498,351</u>

**LONG-TERM ASSETS**

Property, Plant, and Equipment, Net	<u>120,591</u>
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Total Assets	<u><u>\$ 618,942</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 23,390
Capital Lease, Current Portion	6,555
Total Current Liabilities	<u>29,945</u>

**NET ASSETS**

Unrestricted	<u>588,997</u>
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Total Liabilities and Net Assets	<u><u>\$ 618,942</u></u>
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*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

**UNRESTRICTED NET ASSETS:**

**REVENUES**

State and Local Public School Funding	\$ 2,205,259
Federal Grants	60,106
Donations	174,196
Other Income	39,884
Total Revenues	2,479,445

**EXPENSES**

Program Services	1,842,783
Management and General	399,871
Total Expenses	2,242,654

<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	236,791
Unrestricted Net Assets - Beginning of Year	352,206
<b>ENDING UNRESTRICTED NET ASSETS - END OF YEAR</b>	<b>\$ 588,997</b>

*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 236,791
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	17,928
Change in Operating Assets:	
Accounts Receivable	(1,609)
Prepaid Expenses and Other Assets	(49,053)
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	6,938
Deferred Revenue	(162,500)
Net Cash Provided by Operating Activities	48,495

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property, Plant, and Equipment	(76,790)
Net Cash Used by Investing Activities	(76,790)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayments on Capital Lease	(37,170)
Net Cash Used by Financing Activities	(37,170)

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

(65,465)

Cash and Cash Equivalents - Beginning of Year

511,523

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 446,058

**SUPPLEMENTAL CASH FLOW INFORMATION**

*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 993,654	\$ 144,496	\$ 1,138,150
Pension Expense	11,704	3,285	14,989
Other Employee Benefits	104,052	12,985	117,037
Payroll Taxes	79,433	10,618	90,051
Legal Expenses	-	3,148	3,148
Accounting Expenses	-	30,132	30,132
Instructional Materials	142,515	-	142,515
Other Fees for Services	298,164	61,009	359,173
Advertising and Promotion Expenses	-	6,442	6,442
Office Expenses	-	23,256	23,256
Information Technology Expenses	17,716	1,968	19,684
Occupancy Expenses	182,099	20,233	202,332
Interest Expense	-	2,970	2,970
Depreciation Expense	13,446	4,482	17,928
Insurance Expense	-	19,481	19,481
Other Expenses	-	55,366	55,366
	<u>\$ 1,842,783</u>	<u>\$ 399,871</u>	<u>\$ 2,242,654</u>
Total Functional Expenses	<u>\$ 1,842,783</u>	<u>\$ 399,871</u>	<u>\$ 2,242,654</u>

*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Laureate Academy Charter School (the School) was created as a nonprofit corporation under the laws of the state of Louisiana in 2014. The School applied to the Jefferson Parish School Board to operate a Type I charter school. The Jefferson Parish School Board approved the charter of the School for a period of five years commencing on July 1, 2015 and ending on June 30, 2020. The School currently serves students in kindergarten through third grade. The School will add an additional grade each year until it serves students in kindergarten through eighth grade.

The School received approximately 75% of its total revenues from federal and state grantors.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**Net Asset Classes**

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

Unrestricted – All resources over which the governing board has discretionary control to use in carrying on the general operations of the School.

Temporarily Restricted – These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.

Permanently Restricted – These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**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 the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

**Receivables**

Management evaluates receivables to assess whether they are collectible, and records an allowance accordingly. As of June 30, 2018, there was no accounts receivable.

**Property, Plant, and Equipment**

Property, plant, and equipment costing more than \$500 and with a useful life of more than one year are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

**Compensated Absences**

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2018.

**Revenue**

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

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction. The statute of limitations for federal purposes is generally three years.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through September 25, 2018, the date these financial statements were available to be issued.

**NOTE 2 CONCENTRATION OF CREDIT RISK**

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 3 EMPLOYEE RETIREMENT**

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer matching contributions are made as a percentage of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2018 was \$14,989.

**NOTE 4 CAPITAL LEASE**

The School leases certain equipment under a capital lease agreement with a combined capitalized cost of \$88,621. The lease matures in July 2018 and has an inputted effective interest rate of 11%. Depreciation expense reported in the statement of activities includes \$17,931 for the equipment under the capital leases and accumulated depreciation for the leased equipment is \$4,820 as of June 30, 2018. The outstanding balance under these leases at June 30, 2018 was \$6,555.

Future minimum lease payments under the lease agreement are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 6,690
Less: Interest Portion	(135)
Total	<u>\$ 6,555</u>

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$17,931 for the year ended June 30, 2018.

The components of property, plant and equipment as of June 30, 2018 are as follows:

Leasehold Improvements	\$ 76,790
Equipment	88,622
Accumulated depreciation	<u>(44,821)</u>
Property, Plant, and Equipment, Net	<u><u>\$ 120,591</u></u>

**NOTE 6 OPERATING LEASES**

The School leased facilities under a cancellable lease agreement with the Jefferson Parish School Board. The lease expired in June 2018. The lease required monthly payments that were calculated based on the number of students and annual property and casualty insurance premiums for the facility. Lease expense under this agreement for the year ended June 30, 2018 was \$17,567.

The School entered into a lease for facilities on June 1, 2018. The lease expires on June 30, 2021, but can be renewed for two additional 3 year terms. The lease requires monthly payments of \$11,500. Lease expense under this agreement for the year ended June 30, 2018 was \$11,500.

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 138,000
2020	138,000
2021	<u>138,000</u>
Total	<u><u>\$ 414,000</u></u>

**NOTE 7 CONTINGENCIES**

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

**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***

Board of Directors  
Laureate Academy Charter School  
Harvey, 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 Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated September 25, 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 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 purposed 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 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.



**CliftonLarsonAllen LLP**

Glendora, California  
September 25, 2018

**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2018**

There were no findings for the year ended June 30, 2018.

**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2018**

There were no findings for the year ended June 30, 2017.

**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE AGENCY HEAD  
YEAR ENDED JUNE 30, 2018**

**Agency Head:**

**Claire Heckerman**

Purpose	Amount
Salary	\$ 88,182
Benefits - Employer Portion of Retirement	8,052
Benefits - Employer Portion of Medical/Dental/Vision	5,574
Travel	-
Cell Phone Reimbursement	-
Reimbursements	-
Conferences	-
Benefits - Employee Portion of Disability	-
Other Compensation-Security	-
Community Relations	-
Professional Development	-
	-
Total	\$ 101,808

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
Laureate Academy Charter School  
Harvey, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Laureate Academy Charter School (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 for the 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. Management of the School is responsible for its performance and statistical data. 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 relate to the accompanying schedules of supplemental 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 if 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,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

Findings:

None.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced 5 of 19 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Findings:

None.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings:

None.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in Procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings:

The School originally reported this data in the October Profile of Educational Personnel (PEP) using only the number of years of experience at Laureate Academy Charter School not including experience in the same or similar positions at other schools and/or school districts. After discovering this misinterpretation, the School provided us with a revised schedule (shown below). The procedure described as item 6 above was performed on this revised Schedule 4 with no discrepancies noted.

	<u>0-1 Yr.</u>	<u>2-3 Yrs.</u>	<u>4-10 Yrs.</u>	<u>11-14 Yrs.</u>	<u>15-19 Yrs.</u>	<u>20-24 Yrs.</u>	<u>25+ Yrs.</u>	<u>Total</u>
Assistant Principals	1	1	2					4
Principals			1					1
Classroom Teachers	14	4			1			19
Total	<u>15</u>	<u>5</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>24</u>

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced five of the seventeen teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings:

None.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in Procedure 5. We then traced all six classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None.

Louisiana Educational Assessment Program (LEAP) – LEA & Math (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

Findings:

None

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.)

LEAP Tests – Science & Social Studies (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School.

Findings:

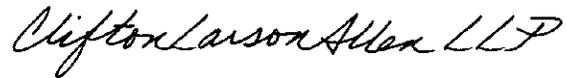
None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 accompanying the annual financial

Board of Directors  
Laureate Academy Charter School

statements of the School for the year ended June 30, 2018. 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.

This report is intended solely for the use of management of the School, 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.



**CliftonLarsonAllen LLP**

Glendora, California  
September 25, 2018

**LAUREATE ACADEMY CHARTER SCHOOL  
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES  
SCHEDULE 1  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Column A	Column B
<b>General Fund Instructional and Equipment Expenditures</b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 760,148	
Other Instructional Staff Activities	117,370	
Instructional Staff Employee Benefits	175,107	
Purchased Professional and Technical Services	51,114	
Instructional Materials and Supplies	119,113	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 1,222,852
Other Instructional Activities		\$ -
Pupil Support Services	\$ 39,949	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	\$ 39,949
Instructional Staff Services	\$ 60,581	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	\$ 60,581
School Administration	\$ 338,025	
Less: Equipment for School Administration	-	
Net School Administration	-	\$ 338,025
Total General Fund Instructional Expenditures (Total of Column B)		\$ 1,661,407
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000-4000)		\$ -
<b>Certain Local Revenue Sources</b>		
Local Taxation Revenue:		
Ad Valorem Taxes:		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF) (Ad Valorem)		-
Sales Taxes:		
Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue		\$ -
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		\$ -
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ -
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

See accompanying Independent Accountants' Report on Agreed-Upon Procedures.

**LAUREATE ACADEMY CHARTER SCHOOL  
EDUCATIONAL LEVELS OF PUBLIC SCHOOL STAFF  
SCHEDULE 2  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

Category	Full-Time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree			2	8%	1	4%	3	12%
Bachelor's Degree	18	72%						
Master's Degree	1	4%						
Master's Degree + 30 Specialist in Education Pd.D or Ed. D								
Total	<u>19</u>	76%	<u>2</u>	8%	<u>1</u>	4%	<u>3</u>	12%

See accompanying Independent Accountants' Report on Agreed-Upon Procedures.

**LAUREATE ACADEMY CHARTER SCHOOL  
NUMBER AND TYPE OF PUBLIC SCHOOLS  
SCHEDULE 3  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

<u>Type</u>	<u>Number</u>
Elementary	1
Middle Jr. High	
Secondary	
Combination	
Total	<u><u>1</u></u>

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

**LAUREATE ACADEMY CHARTER SCHOOL  
 EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS,  
 AND FULL-TIME CLASSROOM TEACHERS  
 SCHEDULE 4  
 YEAR ENDED JUNE 30, 2018  
 (SEE INDEPENDENT AUDITORS' REPORT)**

**AS OF OCTOBER 1, 2017**

	<u>0-1 Yr.</u>	<u>2-3 Yrs.</u>	<u>4-10 Yrs.</u>	<u>11-14 Yrs.</u>	<u>15-19 Yrs.</u>	<u>20-24 Yrs.</u>	<u>25+ Yrs.</u>	<u>Total</u>
Assistant Principals		4						4
Principals			1					1
Classroom Teachers	10	9						19
Total	<u>10</u>	<u>13</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

**LAUREATE ACADEMY CHARTER SCHOOL  
PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES  
SCHEDULE 5  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

<u>Description</u>	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers Salary Including Extra Compensation	\$ 42,361	\$ 42,361
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 42,361	\$ 42,361
Number of Teacher Full-Time Equivalents (FTES) Used in Computation of Average Salaries	19	19

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

**LAUREATE ACADEMY CHARTER SCHOOL  
 CLASS SIZE CHARACTERISTICS  
 SCHEDULE 6  
 YEAR ENDED JUNE 30, 2018  
 (SEE INDEPENDENT AUDITORS' REPORT)**

**AS OF OCTOBER 1, 2017**

<u>School Type</u>	Class Size Range							
	1-20		21-26		27-33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary			1	12.50%	7	87.5%		
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High								
High Activity Class								
Combination								
Combination Activity Class								

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

**LAUREATE ACADEMY CHARTER SCHOOL**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP) – ELA & MATH**  
**SCHEDULE 7**  
**YEAR ENDED JUNE 30, 2018**  
(SEE INDEPENDENT AUDITORS' REPORT)

District Achievement Level Results	English Language Arts			Mathematics		
	2018 Percent	2017 Percent	2016 Percent	2018 Percent	2017 Percent	2016 Percent
<b>Grade 3 Students</b>						
Advanced	11	n/a	n/a	4	n/a	n/a
Mastery	52	n/a	n/a	43	n/a	n/a
Basic	11	n/a	n/a	20	n/a	n/a
Approaching Basic	15	n/a	n/a	24	n/a	n/a
Unsatisfactory	11	n/a	n/a	9	n/a	n/a
Total	<u>100</u>			<u>100</u>		

See accompanying Independent Accountants' Report on Agreed-Upon Procedures.

**LAUREATE ACADEMY CHARTER SCHOOL  
GRADUATION EXIT EXAM  
SCHEDULE 8  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

The Graduation Exit Examination is no longer administered. The Schedule is no longer applicable.

**LAUREATE ACADEMY CHARTER SCHOOL  
LEAP TESTS – SCIENCE & SOCIAL STUDIES  
SCHEDULE 9  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

District Achievement Level Results	Science			Social Studies		
	2018 Percent	2017 Percent	2016 Percent	2018 Percent	2017 Percent	2016 Percent
<b>Grade 3 Students</b>						
Advanced	n/a	n/a	n/a	4	n/a	n/a
Mastery	n/a	n/a	n/a	17	n/a	n/a
Basic	n/a	n/a	n/a	28	n/a	n/a
Approaching Basic	n/a	n/a	n/a	31	n/a	n/a
Unsatisfactory	n/a	n/a	n/a	20	n/a	n/a
Total				<u>100</u>		

See accompanying Independent Accountants' Report on Agreed-Upon Procedures.

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

Board of Directors  
Laureate Academy Charter School  
Harvey, Louisiana

We have performed the procedures enumerated below, which were agreed to by of Laureate Academy Charter School (the School) and the Legislative Auditor, State of Louisiana, to assist the entity in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended June 30, 2018. The School's management is responsible for compliance with these requirements. 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.

### **Rotation of Procedures**

Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories from testing in Year 2.

Our procedures and findings are as follows:

### ***Written Policies and Procedures***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

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

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

### ***Bank Reconciliations***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

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

***Collections***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

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

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Although one exception was noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures, compensating controls were documented and therefore no procedures are required for the year ended June 30, 2018.

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

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

***Travel and Expense Reimbursement***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

***Contracts***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

***Payroll and Personnel***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

***Ethics***

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Laureate Academy Charter School is a non-profit entity and as such, The Louisiana Code of Ethics related procedures are not applicable.

***Debt Service***

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Laureate Academy Charter School is a non-profit entity and has no bonds or notes payable as of June 30, 2018. The debt service procedures are not applicable.

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

***Other***

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No exceptions were noted in the June 30, 2017 Independent Accountant's Report on Applying Agreed-Upon Procedures and therefore no procedures are required for the year ended June 30, 2018.

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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*. 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 requirements of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. 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.

The report is intended solely for the use of management of the School, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**  
Glendora, California  
September 25, 2018