

**NORTHEAST CLAIBORNE
CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Annual Financial Statements

June 30, 2019



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Independent Auditor's Report

To the Board of Directors
Northeast Claiborne Charter School
Summerfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Claiborne Charter School (the School), which comprise the statement of financial position as of June 30, 2019, the related statements of activities and changes in net assets, functional expenses, 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2019, 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 financial statements as a whole. The schedule of board of directors and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are 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 performance and statistical data, included as schedules 1 through 2, is not a required part of the basic financial statements, but is 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 accountant's report on applying agreed-upon procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, the School adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, 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.



A Professional Accounting Corporation

Baton Rouge, LA
December 6, 2019

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Statement of Financial Position
June 30, 2019**

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 272,760
Total Current Assets	<u>272,760</u>
Property, Plant, and Equipment	
Software	35,300
Leasehold Improvements	5,938
Machinery and Equipment	8,996
Furniture	<u>2,792</u>
Total at Cost	53,026
Less: Accumulated Depreciation	<u>(26,116)</u>
Net Property, Plant, and Equipment	<u>26,910</u>
Total Assets	<u><u>\$ 299,670</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 376
Accrued Expenses	<u>218</u>
Total Current Liabilities	<u>594</u>
Net Assets	
Without Donor Restrictions	<u>299,076</u>
Total Liabilities and Net Assets	<u><u>\$ 299,670</u></u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019**

	Without Donor Restrictions
<hr/>	
Support and Revenue	
State Public School Funding	\$ 1,810,072
Federal Sources	124,521
Other State Funding	3,771
Other Income	<u>480</u>
Total Support and Revenue	<u>1,938,844</u>
Expenses	
Program Services	1,556,070
Management and General	<u>289,335</u>
Total Expenses	<u>1,845,405</u>
Change in Net Assets	93,439
Net Assets, Beginning of Year	<u>205,637</u>
Net Assets, End of Year	<u><u>\$ 299,076</u></u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Statement of Functional Expenses
For the Year Ended June 30, 2019**

	<u>Education Programs</u>	<u>Supporting Services</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Tuition Reimbursement	\$ 865,875	\$ -	\$ 865,875
Salaries	368,640	170,732	539,372
Employee Benefits	153,623	67,720	221,343
Supplies, Materials, and Textbooks	50,304	13,664	63,968
Student Transportation	56,888	-	56,888
Equipment	42,390	-	42,390
Purchased Services	7,825	16,650	24,475
Travel	4,226	5,858	10,084
Depreciation	6,299	-	6,299
Insurance	-	6,083	6,083
Dues and Miscellaneous	-	5,297	5,297
Phone, Internet, and Postage	-	2,092	2,092
Advertising	-	1,239	1,239
Total	<u>\$ 1,556,070</u>	<u>\$ 289,335</u>	<u>\$ 1,845,405</u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2019**

Cash Flows from Operating Activities	
Change in Net Assets	\$ 93,439
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	6,299
(Increase) Decrease in Current Assets	
Grants Receivable	2,400
Increase (Decrease) in Liabilities	
Accounts Payable	(3,747)
Accrued Expenses	<u>6</u>
Net Cash Provided by Operating Activities	<u>98,397</u>
Cash Flows from Investing Activities	
Purchase of Fixed Assets	<u>(4,113)</u>
Net Cash Used in Investing Activities	<u>(4,113)</u>
Net Increase in Cash and Cash Equivalents	94,284
Cash and Cash Equivalents, Beginning of Year	<u>178,476</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 272,760</u></u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Northeast Claiborne Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on February 4, 2013. The School entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education (BESE) beginning July 1, 2014, whereby the School would operate a Type 2 charter school as defined in Louisiana Revised Statute (LRS) 17:3971, et. seq. The term of the charter continues through June 30, 2022.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. The School is required to record unconditional promises to give (pledges) as receivables and revenues and to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under FASB ASC 958, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. This category also includes board-designated net assets.

Nets Assets With Donor Restrictions - Net assets representing contributed funds subject to specific donor-imposed restrictions contingent upon a specific purpose or a specific passage of time.

In addition, the School is required to present a statement of cash flows.

Basis of Accounting

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

Revenues

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Betterments, which naturally add to the value of related assets or materially extend the useful lives of assets, are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

Assets	Useful Lives
Furniture and Equipment	5 - 7 Years
Leasehold Improvements	5 Years
Software	5 Years

Functional Expenses

The costs of providing the School's various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. As of June 30, 2019, all expenses were allocated by direct identification and not allocated.

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

Income Taxes

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

Statement of Cash Flows

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The School received 93% of its revenues for the year ended June 30, 2019 from the State of Louisiana, subject to its charter agreement with the State.

Recent Accounting Pronouncements

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

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 will clarify and improve current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. ASU 2018-08 is effective for the School on July 1, 2020. Management is currently evaluating the impact ASU 2018-08 will have on the financial statements.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Adopted

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which resulted in no reclassification of net assets.

Liquidity and Availability

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. It regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources that the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	<u>\$ 272,760</u>
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Note 2. Cash and Cash Equivalents

The School's cash and cash equivalents (book balances) at June 30, 2019 were \$272,760, which are stated at cost which approximates market.

Note 3. Fixed Assets

Depreciation expense for the year ended June 30, 2019 was \$6,299.

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

Note 4. Accrued Expenses

The breakdown of accrued expenses as of June 30, 2019 was as follows:

Accrued Employee Benefits and Payroll Taxes	<u>\$ 218</u>
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Note 5. Retirement Plan

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana (TRSL). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to this plan follows.

Plan Description: The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123. At June 30, 2018, the TRSL was 68.2% funded.

Funding Policy: Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ended June 30, 2019, the employer contribution rate was 26.7%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2019 was \$141,305, which was equal to the required contribution.

Note 6. Uncertain Income Taxes

The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA**

Notes to Financial Statements

Note 7. Management Agreement

The School entered into a management agreement with Junction City School Board (JCSB) on June 16, 2014. The original contract concluded on June 30, 2018. The School and JCSB are in the process of renewing the contract. Under the agreement, JCSB provides all services for the provision of the education program which includes instructional and support personnel and use of JCSB facilities. Contract payments are based on enrollment. During the year ended June 30, 2019, the School paid Junction City School Board \$915,875.

Note 8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 6, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Northeast Claiborne Charter School
Summerfield, Louisiana

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

The procedures and associated findings are as follows:

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

1. We selected a random sample of 25 transactions 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
 - Nonpublic Transportation Revenue

Findings: None

Class Size Characteristics (Schedule 2)

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

Findings: None

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

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

Findings: None

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Findings: None

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
December 6, 2019

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2019**

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

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

Schedule 2 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

See independent accountant's report on applying agreed-upon procedures.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 196,168	
Other Instructional Staff Salaries	10,884	
Instructional Staff Employee Benefits	85,861	
Purchased Professional and Technical Services	2,800	
Instructional Materials and Supplies	8,436	
Instructional Equipment	-	
	<hr/>	
Total Teacher and Student Interaction Activities		\$ 304,149
Other Instructional Activities		865,875
Pupil Support Services	67,285	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		67,285
Instructional Staff Services	45,200	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
Net Instructional Staff Services		45,200
School Administration	208,369	
Less: Equipment for School Administration	-	
	<hr/>	
Net School Administration		208,369
		<hr/>
Total General Fund Instructional Expenditures		\$ 1,490,878
		<hr/>
Total General Fund Equipment Expenditures		\$ -

Certain Local Revenue Sources

Local Taxation Revenue		
Constitutional Ad Valorem Taxes	\$ -	
Renewable Ad Valorem Tax	-	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-	
Sales and Use Taxes	-	
	<hr/>	
Total Local Taxation Revenue		\$ -
		<hr/>
Local Earnings on Investment in Real Property		
Earnings from 16 th Section Property	\$ -	
Earnings from Other Real Property	-	
	<hr/>	
Total Local Earnings on Investment in Real Property		\$ -
		<hr/>
State Revenue in lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in lieu of Taxes	-	
	<hr/>	
Total State Revenue in lieu of Taxes		\$ -

See independent accountant's report on applying agreed-upon procedures.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Class Size Characteristics
As of October 1, 2018**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	100%	263	0%	1	0%	0	0%	0
Combination Activity Classes	100%	34	0%	0	0%	0	0%	0

See independent accountant's report on applying agreed-upon procedures.

SUPPLEMENTARY INFORMATION

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2019**

Board Members	Compensation
Mr. Jeff Mason, President 786 John Kelly Road Lillie, LA 71256 (318) 986-4421	\$-0-
Mrs. Lori Davis 184 Randolph Road Lillie, LA 71256 (318) 986-5267	\$-0-
Mrs. Tammy Jerry, Treasurer PO Box 231 Junction City, AR 71749 (870) 315-1427	\$-0-
Mrs. Cazandra Holliday 201 Fellowship Road Lillie, LA 71256 (318) 986-4930	\$-0-
Mrs. Kim Rogers 139 Hoof Road Lillie, LA 71256 (318) 986-4591	\$-0-
Mrs. Videssa Owens, Vice President PO Box 132 Bernice, LA 71222 (318) 285-3332	\$-0-
Mrs. Angie Banks 231 Hoof Road Lillie, LA 71256 (318) 224-3942	\$-0-
Mrs. Theresa Glover PO Box 432 Junction City, AR 71749 (318) 986-4948	\$-0-
Mr. Mark Lunsford 378 McLelland Road Lillie, LA 71256	\$-0-

See independent auditor's report.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2019**

Agency Head
Stacie Cary, School Director

Purpose	Amount
Salary	\$66,503
Benefits - Insurance	\$6,273
Benefits - Retirement	\$18,023
Benefits - Bonus	\$1,000
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$43
Travel	\$522
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors
Northeast Claiborne Charter School
Summerfield, 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 Northeast Claiborne Charter School (the School), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
December 6, 2019

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2019**

Part I. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1) Type of auditor's report | Unmodified |
| 2) Internal control over financial reporting and compliance and other matters: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified? | None reported |
| c) Noncompliance noted? | No |
| d) Other matters identified? | No |

Federal Awards

Not applicable.

Part II. Findings Related to the Financial Statements

None.

Part III. Compliance and Other Matters

None.

**NORTHEAST CLAIBORNE CHARTER SCHOOL
SUMMERFIELD, LOUISIANA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

Part II. Findings Related to the Financial Statements

None.

Part III. Compliance and Other Matters

None.

AGREED-UPON PROCEDURES REPORT

Northeast Claiborne Charter School

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of July 1, 2018 - June 30, 2019

To Northeast Claiborne Charter School and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Northeast Claiborne Charter School (the School) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2018 through June 30, 2019. The School's management is responsible for those C/C areas identified in the SAUPs. 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 results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The School's ethics policy contains each of the items. The School's disaster recovery/business continuity policy contains items (1), (2), and (6). Items (3), (4), and (5) are not present.

Ethics

2. Randomly select five employees/officials from the list of employees provided by management, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: For each of the employees selected, we observed documentation demonstrating the employee completed one hour of ethics training and that they signature verified that they had read the School's policy manual which included the School's ethics policy.

* * * * *

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 perform, 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 SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the 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 LLA as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
December 9, 2019



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PHONE (870) 924.0104 FAX (870) 924.0102

STACIE CARY
SCHOOL DIRECTOR

JEFF MASON
CHARTER BOARD PRESIDENT

Mr. Daryl Purpera
Louisiana Legislative Auditor
1600 N 3rd St.
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-upon Procedures

The management of Northeast Claiborne Charter School wishes to provide the following responses relative to the results of the 2019 statewide agreed-upon procedures engagement:

1. Policies and Procedures – The School will amend its policies to include the omitted items.

Sincerely,


Stacie Cary
School Director