

**COMMUNITY LEADERS  
ADVOCATING STUDENT SUCCESS, INC.  
(d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL)**

**FINANCIAL REPORT**

**For the Year Ended June 30, 2019**



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**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
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**JUNE 30, 2019**

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**Report**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Community Leaders Advocating Student Success, Inc.  
d/b/a Fannie C. Williams Charter School  
New Orleans, Louisiana

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

We have audited the accompanying financial statements of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, 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.

#### ***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 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 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 School'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 School'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 above present fairly, in all material respects, the financial position of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter 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.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, management has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958); this new standard requires changes to be made in how net assets are classified based on donor restrictions and has added multiple new disclosures. Our opinion is not modified with respect to this matter.

### ***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 Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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.

*Cam, Riggs & Ingram, L.L.C.*

December 20, 2019



# Financial Statements

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**

*As of June 30,*

**2019**

<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in bank	\$	2,321,587
Cash held for others - School Student Activity Fund		47,673
<hr/>		
Total Cash		2,369,260
<hr/>		
Grants receivable		331,509
Prepaid expenses		833
Deposits		24,959
<hr/>		
Total Current Assets		2,726,561
<hr/>		
Capital assets		-
<hr/>		
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>2,726,561</b>
<hr/> <hr/>		
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$	24,394
Accrued salaries		220,846
Payroll deductions and benefits payable		76,995
Deferred revenue		30,049
Deposits held for others - School Student Activity Fund		47,673
<hr/>		
Total Current Liabilities		399,957
<hr/>		
<b>NET ASSETS</b>		
Without donor restrictions		2,270,997
With donor restrictions		55,607
<hr/>		
Total Net Assets		2,326,604
<hr/>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>2,726,561</b>
<hr/> <hr/>		

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

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**

*For the Year Ended June 30, 2019*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grants			
Federal	\$ 1,236,875	\$ 55,607	\$ 1,292,482
State	98,156	-	98,156
Local	9,450		9,450
State Minimum Foundation Program	2,180,558	-	2,180,558
Local Minimum Foundation Program	3,039,178	-	3,039,178
Other revenues	101,131	-	101,131
<b>Total Revenues and Other Support</b>	<b>6,665,348</b>	<b>55,607</b>	<b>6,720,955</b>
<b>EXPENSES</b>			
Program expenses	5,327,685	-	5,327,685
Supporting expenses	1,472,054	-	1,472,054
<b>Total Expenses</b>	<b>6,799,739</b>	<b>-</b>	<b>6,799,739</b>
<b>CHANGE IN NET ASSETS</b>	<b>(134,391)</b>	<b>55,607</b>	<b>(78,784)</b>
<b>NET ASSETS - Beginning of year</b>	<b>2,405,388</b>	<b>-</b>	<b>2,405,388</b>
<b>NET ASSETS - End of year</b>	<b>\$ 2,270,997</b>	<b>\$ 55,607</b>	<b>\$ 2,326,604</b>

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

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*For the Year Ended June 30, 2019*

	Programs Services	<u>Supporting Services</u> Management and General	Total
<b>EXPENSES</b>			
Salaries	\$ 3,028,061	\$ 709,319	\$ 3,737,380
Employee benefits	746,782	174,933	921,715
Transportation services	650,310	-	650,310
Food services	329,996	-	329,996
Equipment rental	18,893	18,893	37,786
Professional services	107,978	213,861	321,839
Supplies	108,728	49,321	158,049
Utilities	114,373	39,768	154,141
Repairs and maintenance	80,973	28,155	109,128
Other services	-	105,897	105,897
Insurance	72,375	25,165	97,540
Shared services	-	95,941	95,941
Miscellaneous	59,053	638	59,691
Travel	10,163	10,163	20,326
<b>Total Expenses</b>	<b>\$ 5,327,685</b>	<b>\$ 1,472,054</b>	<b>\$ 6,799,739</b>

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

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**STATEMENT OF CASH FLOWS**

*For the Year Ended June 30,*

**2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (78,784)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	-
Changes in operating assets and liabilities:	
Cash held for others - School Student Activity Fund	14,271
Grants receivable	(181,354)
Accounts payable	24,394
Accrued salaries	(13,280)
Payroll deductions and benefits payable	(5,668)
Deferred revenue	30,000
Deposits held for others - School Student Activity Fund	(14,271)
<hr/>	
Net cash used in operating activities	(224,692)
<hr/>	
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(224,692)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>2,546,279</b>
<hr/>	
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 2,321,587</b>
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*The accompanying notes are an integral part of this financial statement.*

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization***

Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (the School) was organized as a non-profit corporation under the laws of the State of Louisiana on July 12, 2010. The School is organized exclusively for charitable and educational purposes. The School's purpose is to provide excellent educational opportunities and options for all children.

Effective May 11, 2011, the School entered into a Charter School Contract with the Louisiana State Board of Elementary Education (BESE) to operate a Type 5 public charter school in the Louisiana Recovery School District as defined in LSA RS 17:3992 and 3998. The Charter School Contract was granted for an initial term of five years and terminated on June 30, 2016 contingent upon the results of the reporting requirements at the end of the third year. The Charter Contract was extended for six more years on July 1, 2016 by BESE who determined that the charter school is meeting the student, financial, and legal and contract standards, pursuant to Bulletin 126. During the 2018-2019 school year, the Charter School Contract was transferred and assumed by Orleans Parish School Board. There has been no change to the existing charter agreement, except the School was granted to operate a Type 3B charter school.

***Basis of Accounting***

The School prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Basis of Presentation***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, 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* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising donations or contributions, and performing administrative functions. As of June 30, 2019, net assets without donor restriction were \$2,270,997.

*Net Assets With Donor Restrictions* – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. As of June 30, 2019, net assets with donor restrictions consisted of \$55,607 for Child Nutrition Program, which was purpose restricted.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

For purposes of reporting on the statement of cash flows, the School considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

***Grants and Other Receivables and Allowance for Doubtful Accounts***

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. At June 30, 2019, management did not deem any receivables to be uncollectible; therefore no allowance was recorded.

***Capital Assets***

The School's policy is to capitalize equipment over \$1,000 with a useful life greater than one year. Lesser amounts are expensed. Purchased equipment is capitalized at cost. Donations of equipment are recorded as contributions at their estimated fair value. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets. The useful life of equipment is 3 years.

***Impairment of Long-Lived Assets***

The School reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

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

The School did not recognize an impairment loss during the years ended June 30, 2019.

***Deferred Revenue***

Deferred revenue consists of a grant award received in advance that relates to services to be rendered in a future period and is deferred and recognized as revenue in the period earned.

***Contributions***

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

***Federal, State and Local Grant Revenue***

Revenues from federal, state and local grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the School, or when earned under the terms of the grant.

***Public Support and Revenues***

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State of Louisiana and the Orleans Parish School Board. The School receives funds from the State and from the Orleans Parish School Board per eligible student as of the official pupil count date of October 1 and February 1, payable in monthly installments. State and Federal grants are recognized on a cost reimbursement basis, that is, when expenses are incurred.

***Functional Expenses***

Any costs related to program administration are functionally classified as supporting service expenses. Any costs related to activities that constitute direct conduct or direct supervision of program service are program expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the School.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

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

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Salaries, employee benefits, equipment rental, and travel have been allocated based on time and effort. Repairs and maintenance, utilities, and insurance have been allocated based on square footage. Transportation services, food services, professional services, supplies, other services, shared services, and miscellaneous expenses have been allocated based on actual expenses.

***Income Taxes***

The School is a Louisiana nonprofit organization under Section 509(a)(3) of the Internal Revenue code that has been granted an exemption from the payment of income taxes under Section 501(c)(3) and has been determined to be other than a private foundation. The School's management believes that the School continues to operate in a manner that preserves its tax exempt status.

***Compensated Absences***

All employees are granted 10 days of personal leave per school year, which is paid time off from work. Personal leave may be used for vacation, illness (of employees or family members), or other personal reasons. Such leave, which is not used, shall lapse at year end.

***Recently Adopted Accounting Pronouncement***

Effective July 1, 2018, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The School has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspect of the School's financial statements:

- The temporarily restricted and permanently restricted net assets have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The presentation of functional classification of expenses in a financial statement is supplemented with enhanced disclosures about the methods used to allocate cost among functions and the basis for which to allocate cost between program and supporting expenses (Note 1).
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

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

The changes have the following effect on net assets at July 1, 2018:

	<b>As Originally Presented</b>	<b>After Adoption of ASU 2016-14</b>
Unrestricted net assets	\$ 2,405,388	\$ -
Net assets without donor restrictions	-	2,405,388
<b>Total</b>	<b>\$ 2,405,388</b>	<b>\$ 2,405,388</b>

***Future Accounting Pronouncements***

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. These amendments are effective for the fiscal year ending June 30, 2020. Early adoption with certain restrictions is permitted. The School is currently evaluating the impact of the guidance on its financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. ASU 2016-18 provides guidance on the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts general described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shows on the statement of cash flows. The ASU is effective for fiscal year-ending June 30, 2020, but early adoption is permitted. The School have not elected to early adopt this standard. Management is currently evaluating the impact of the guidance on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the School serves as a resource recipient for the fiscal year ending June 30, 2020. Early adoption is permitted. The School is currently evaluating the impact of the guidance on its financial statements.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

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

A variety of proposed or otherwise potential accounting standards are currently under review and study by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, the School has not yet determined the effect, if any, that the implementation of any such proposed or revised standards would have on its financial statements.

**NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The School has \$2,700,769 of financial assets available within one year of the statement of financial position date consisting of cash of \$2,369,260 of which \$47,673 is restricted cash held for others, and grants receivable of \$331,509. Financial assets of \$55,607 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The School has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management believes it has appropriate available financial resources as of June 30, 2019. As part of its liquidity management, the School maintains cash accounts at a local bank which pays interest on the balances maintained.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The School maintains its cash balances at financial institutions located in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2019. At June 30, 2019, the School had \$2,156,369 in uninsured cash deposits. The School has not experienced any losses and does not have a policy for custodial credit risk.

**NOTE 4 – CAPITAL ASSETS**

Capital assets consisted of the following as of June 30, 2019:

Equipment	\$	133,704
Accumulated depreciation		(133,704)
<hr/>		
Total equipment, net	\$	-

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – GRANTS RECEIVABLE**

As of June 30, 2019, grants receivable consisted of amounts due from the following sources:

Federal – U.S. Department of Education		
Title I	\$	139,936
Special Education - IDEA		52,159
Pre School - IDEA		1,240
High Cost Services		25,487
National School Lunch Program		20,480
Charter School		26,274
LA-4 TANF		44,891
<hr/>		
Total federal receivables		134,550
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State of Louisiana		
LA-4		21,042
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Total state receivables		21,042
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Total grants receivable	\$	331,509

State and Federal grants are on a cost reimbursement basis and accounted for 21% of the School's total revenue for the year ended June 30, 2019.

**NOTE 6 – MINIMUM FOUNDATION PROGRAM (MFP)**

For the year ended June 30, 2019, the School recognized revenue of \$2,180,558 for State MFP. The Orleans Parish School Board (OPSB) provides funding to the State of Louisiana collected from local agencies, which pass through to the School as Local MFP. Revenues received by OPSB from sales taxes, ad valorem taxes, and other sources are allocated to each school based on its enrollment as of June 30. For the year ended June 30, 2019, the School recognized revenue of \$3,039,178 for Local MFP. State and Local MFP revenue, combined, accounts for 78% of the School's total revenue for the year ended June 30, 2019.

**NOTE 7 – FUNDS HELD ON BEHALF OF OTHERS (SCHOOL STUDENT ACTIVITY FUND)**

The School acts as a custodian for student activity accounts. Funds held on behalf of these groups amounted to \$47,673 at June 30, 2019, and is reported as both an asset (cash held for others – school student activity fund) and a liability (deposits held for others – school student activity fund). Consequently, there is no effect on the School's net assets.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – RETIREMENT PLAN**

Substantially, all employees of the School are members of a safe harbor 403(b) Retirement Plan (the Plan). Covered employees may elect to contribute a portion of their salaries to the Plan. The School's contribution to the Plan is 100% of the participant's compensation up to 5% and an additional 2% for contributions exceeding 4% of the participant's compensation. The School made contributions of \$209,698 to the Plan for the year ended June 30, 2019, which are included in employee benefits in the statement of functional expenses.

**NOTE 9 – OPERATING LEASES**

The School has an operating lease for office equipment. The lease for office equipment is year-to-year and expires on June 30<sup>th</sup> of each year. Total lease expense for office equipment for the year ended June 30, 2019 totaled \$37,786 and is reported as equipment rental in the statement of functional expenses.

**NOTE 10 – SCHOOL FACILITIES**

Effective July 1, 2011, the School entered into an agreement with the Louisiana State Department of Education through its Recovery School District (RSD), which allows the School to use the school facilities and its contents located at 11755 Dwyer Road, New Orleans, Louisiana 70128. The agreement expired on June 30, 2016. The agreement with the Louisiana State Department of Education was extended for 6 more years as of July 1, 2016.

Alterations made by the School shall not diminish the value of the property at the time the alterations are approved. Any physical additions or improvements to the property will become property of the RSD. All assets purchased with public funds obtained from public sources will automatically revert to RSD at the time the charter school agreement is terminated. The School must maintain records of all school property in compliance with RSD policy and shall update the School's property inventory quarterly.

The School is responsible for repair and replacement of physical property. In addition, the School is responsible for and obligated to provide for routine maintenance and repairs such that the facilities and property are maintained in as good conditional as when the right of use was acquired, excluding ordinary wear.

Use of the property is not recorded as an in-kind contribution from or related rent expense to RSD. The value of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – SCHOOL FACILITIES (CONTINUED)**

The School came under the authority of Orleans Parish School Board effective for the 2018-2019 school year, however there has been no change to the existing charter or lease agreement as a result of this change.

**NOTE 11 – UNCERTAIN TAX POSITIONS**

Accounting principles generally accepted in the United States of America require the School's management to evaluate tax positions taken by the School and recognize a tax liability if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School's management has analyzed the tax positions taken by the School, and has concluded that as of June 30, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**NOTE 12 – CONTINGENCIES**

The School is the recipient of grant funds from various federal, state and local agencies. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of the School and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

*State Funding* – The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

At June 30, 2019, the School was not a defendant or co-defendant in any lawsuits arising from the normal course of operations.



**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 – RISK MANAGEMENT**

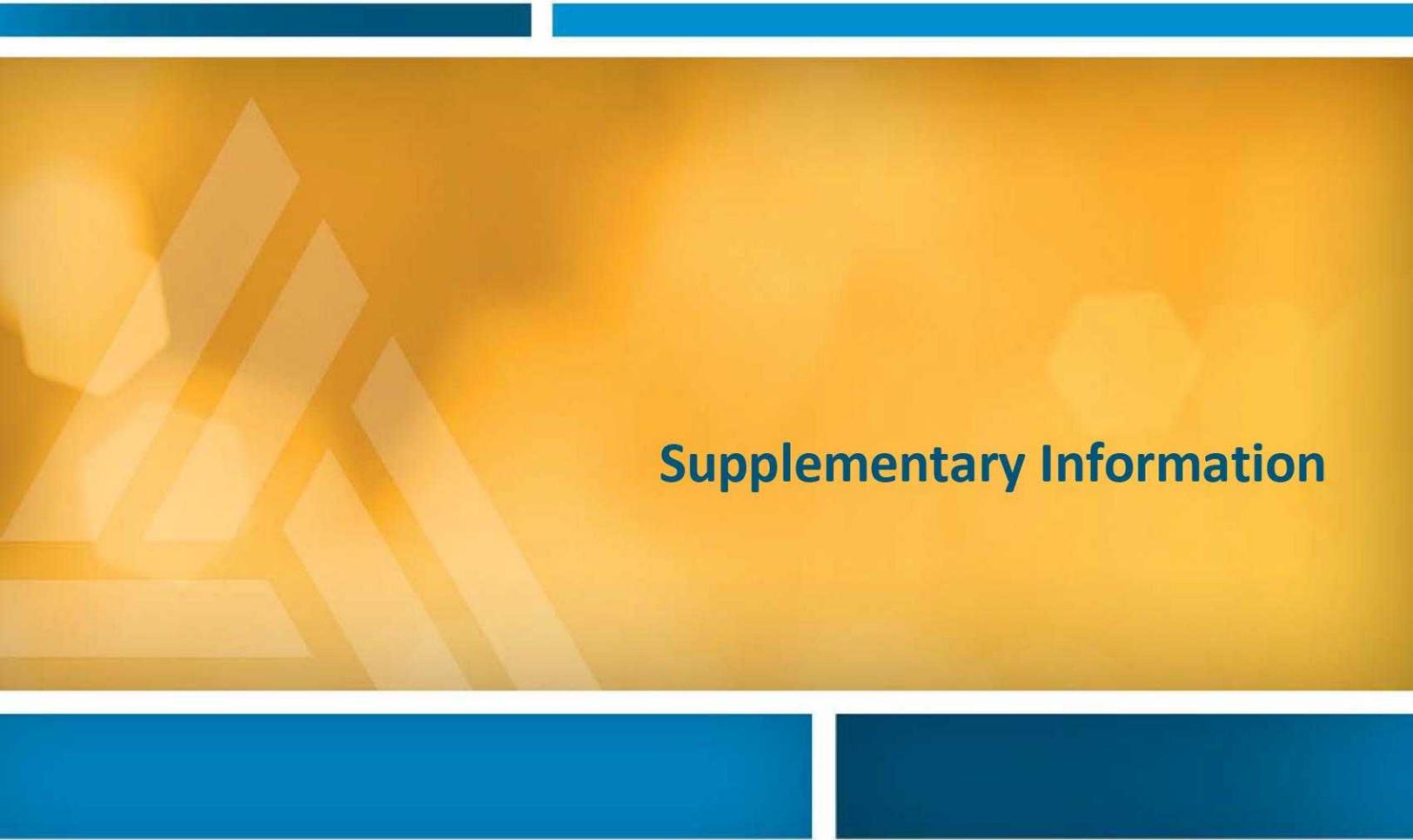
The School is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2019.

**NOTE 14 – BOARD OF DIRECTORS' COMPENSATION**

The members of the Board of Directors serve in a voluntary capacity, therefore, no compensation, per diem, or travel allowances were paid to any board member during the year ended June 30, 2019.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 20, 2019, the date the financial statements were available to be issued. No events material to the financial statements have been noted for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**Supplementary Information**

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**

*For the Year Ended June 30, 2019*

Agency Head Name: Kelly Batiste, Principal/CEO

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 132,863
Benefits-Fica and Medicare	9,945
Benefits-retirement	9,100
Benefits-health insurance	5,679
Workers comp	194
Benefits-life insurance	27
Benefits-long term disability	660
Car allowance	-
Vehicle provided by government	-
Cell phone	955
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	5,754
	<b>\$ 165,177</b>

*See independent auditors' report.*



**Reports and Schedules  
Required by *Government Auditing  
Standards* and The Uniform Guidance**



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**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***

To the Board of Directors of  
Community Leaders Advocating Student Success, Inc.  
d/b/a Fannie C. Williams Charter School  
New Orleans, 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 Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 20, 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 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 School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Caru, Riggs & Ingram, L.L.C.*

December 20, 2019



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

To the Board of Directors of  
Community Leaders Advocating Student Success, Inc.  
d/b/a Fannie C. Williams Charter School  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Community Leaders Advocating Student Success, Inc. dba Fannie Williams Charter School's (a nonprofit organization) (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June 30, 2019. The School's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the School'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 the School'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 the major federal program. However, our audit does not provide a legal determination of the School's compliance.

## Opinion on The Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of the School 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 the School's internal control over compliance with the types of requirements that could have a direct and material effect on of the each major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the 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 the School'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 a 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 programs 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.

*Carly Riggs & Ingram, L.L.C.*

December 20, 2019

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.**  
**d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>	<i>Total Federal Expenditures (\$)</i>
<u>United States Dept. of Education/Louisiana Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	-	\$ 430,424	\$ 430,424
Title I Grants to Local Educational Agencies/School Redesign Grant	84.010	-	36,172	36,172
<i>Total Title I Grants to Local Educational Agencies</i>			466,596	466,596
Charter Schools Program Grants	84.282	-	105,100	105,100
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	-	40,263	40,263
Student Support and Academic Enrichment Program	84.424	-	1,534	1,534
<u>United States Dept. of Education/Louisiana Department of Education/Special Education Cluster</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	-	142,324	142,324
Special Education - High Cost Services	84.027A	-	25,487	25,487
Special Education - School Redesign Grant	84.027A	-	4,524	4,524
Special Education - Preschool Grants	84.173	-	1,240	1,240
<i>Total Special Education Cluster</i>			173,575	173,575
<i>Total United States Department of Education</i>			787,068	787,068
<u>United States Dept. of Health and Human Services/Louisiana Department of Health and Human Services/TANF Cluster</u>				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	-	95,330	95,330
<i>Total United States Department of Health and Human Services</i>			95,330	95,330
<u>United States Dept. of Agriculture/Louisiana Department of Education/Child Nutrition Cluster</u>				
National School Lunch Program	10.555	-	238,837	238,837
After School Snack Program	10.555	-	22,456	22,456
School Breakfast Program	10.553	-	92,408	92,408
Summer Food Services Program for Children	10.559	-	776	776
<i>Total Child Nutrition Cluster</i>			354,477	354,477
<i>Total United States Department of Agriculture</i>			354,477	354,477
<b><i>Total Expenditures of Federal Awards</i></b>			<b>\$ 1,236,875</b>	<b>\$ 1,236,875</b>

\* Community Leaders Advocating Student Success, Inc. d/b/a Fannie Williams Charter School did not pass-through any amounts to Subrecipients.

*See independent auditors' report and accompanying notes to the  
Schedule of Expenditures of Federal Awards.*

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the revenues from federal awards of the School as defined in Note 1 to the School's basic financial statements. All federal awards were received directly from federal agencies and are included on the Schedule, as well as federal assistance passed through government agencies.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The School has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

**NOTE 3 – RECONCILIATION OF FEDERAL EXPENDITURES TO FEDERAL REVENUE**

Below is a reconciliation of the Schedule of Expenditures of Federal Awards to the federal grant revenues as presented on the statement of activities for the year ended June 30, 2019:

Total Federal Expenditures	\$ 1,236,875
Child nutrition program net cash resources	55,607
<hr/>	
Total Federal Revenues	\$ 1,292,482
<hr/>	

**NOTE 4 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards revenues are reported in the School's basic financial statements as federal grants.

**NOTE 5 – LOANS**

The School did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

**NOTE 6 – FEDERALLY FUNDED INSURANCE**

The School had no federally funded insurance for the year ended June 30, 2019.



**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7 – NONCASH ASSISTANCE**

The School did not receive any federal noncash assistance for the year ended June 30, 2019.

**NOTE 8 – ON-BEHALF PAYMENTS**

The School did not have on-behalf payments for the fiscal year ended June 30, 2019.

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | None noted |

*Federal Awards*

- |   |            |
|---|------------|
| 3. Type of auditors' report issued  | Unmodified |
| 4. Internal control over financial reporting:   |            |
| a. Material weaknesses identified?  | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses?                    | None noted |
| 5. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None noted |

6. Identification of the major programs:

Name of Federal Award (or Cluster)	CFDA No.
Child Nutrition Cluster	10.553/10.555/10.559
Title I Grants to Local Educational Agencies	84.010

- |   |           |
|---|-----------|
| 7. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 8. Auditee qualified as a low-risk auditee?                                 | No        |



**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**B. FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE**

*There were no findings noted related to the financial statements for the year ended June 30, 2019.*

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

*There were no findings noted related to compliance and other matters for the year ended June 30, 2019.*

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

*There were no findings or questioned costs noted related to the major federal award programs for the year ended June 30, 2019.*

**E. MANAGEMENT LETTER**

*None issued.*

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**A. FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE**

*There were no findings noted related to the financial statements for the year ended June 30, 2018.*

**B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

*There were no findings noted related to compliance and other matters for the year ended June 30, 2018.*

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

**2018-001: Procurement Suspension and Debarment**

**Condition:** No control in place to ensure vendors are not suspended or debarred.

**Criteria:** As described in 2 CFR Part 200, Appendix XI, Compliance Supplement, the Department of Education requires educational institutions to check for suspended or debarred vendors before paying federal expenditures to the vendors.

**Effect:** Lack of controls over this compliance requirement may impact compliance.

**Cause:** The School has no control in place over the compliance requirement over Procurement, Suspension and Debarment.

**Recommendation:** Management should design, implement, and document policies and procedures to review that vendors are not suspended or debarred prior to disbursing federal funds.

**Status:** Resolved.

**D. MANAGEMENT LETTER**

*None issued.*

**COMMUNITY LEADERS  
ADVOCATING STUDENT SUCCESS, INC.  
(d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL)**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**For the Year Ended June 30, 2019**



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CPAs and Advisors

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

To the Board of Directors of  
Community Leaders Advocating Student Success, Inc.  
d/b/a Fannie C. Williams Charter School  
New Orleans, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams 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 period July 1, 2018 through June 30, 2019. The School's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

1. Obtain and inspect the School's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the School's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget  
**Results: No exceptions were found as a result of applying the procedure.**
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
**Results: No exceptions were found as a result of applying the procedure.**
  - c) **Disbursements**, including processing, reviewing, and approving.  
**Results: No exceptions were found as a result of applying the procedure.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Results: No exceptions were found as a result of applying the procedure.**

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: No exceptions were found as a result of applying the procedure.**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: No exceptions were found as a result of applying the procedure.**

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**Results: No exceptions were found as a result of applying the procedure.**

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: No exceptions were found as a result of applying the procedure.**

- i) **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 does not have a Disaster Recovery/Business Continuity policy in place.**

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

**Results: No exceptions were found as a result of applying the procedure.**

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Results: The board did not meet on a frequency in accordance with the board's bylaws.**

- b) For those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the School's collections during the fiscal period.

**Results: No exceptions were found as a result of applying the procedure.**

### ***Bank Reconciliations***

---

- 3) 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 School's main operating account. Select the School'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 selected each account, and observe that:

**Results: No exceptions were found as a result of applying the procedure.**

- 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);

**Results: No exceptions were found as a result of applying the procedure.**

- 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

**Results: No exceptions were found as a result of applying the procedure.**

- 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.

**Results: No exceptions were found as a result of applying the procedure.**

### ***Collections (excluding EFTs)***

---

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results: No exceptions were found as a result of applying the procedure.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

**Results: No exceptions were found as a result of applying the procedure.**

a) Employees that are responsible for cash collections do not share cash drawers/registers.

**Results: No exceptions were found as a result of applying the procedure.**

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**Results: No exceptions were found as a result of applying the procedure.**

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results: No exceptions were found as a result of applying the procedure.**

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

**Results: No exceptions were found as a result of applying the procedure.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

**Results: No exceptions were found as a result of applying the procedure.**

a) Observe that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the procedure.**

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results: No exceptions were found as a result of applying the procedure.**

c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were found as a result of applying the procedure.**

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results: Four of the four deposits selected were not deposited within one business day of collection.**

e) Trace the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were found as a result of applying the procedure.**

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results: No exceptions were found as a result of applying the procedure.**

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

**Results: No exceptions were found as a result of applying the procedure.**

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results: No exceptions were found as a result of applying the procedure.**

b) At least two employees are involved in processing and approving payments to vendors.

**Results: No exceptions were found as a result of applying the procedure.**

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results: No exceptions were found as a result of applying the procedure.**

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results: No exceptions were found as a result of applying the procedure.**

10. For each location selected under #8 above, obtain the School's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

**Results: No exceptions were found as a result of applying the procedure.**

a) Observe that the disbursement matched the related original invoice/billing statement.

**Results: No exceptions were found as a result of applying the procedure.**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results: No exceptions were found as a result of applying the procedure.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

*Carr, Riggs & Ingram, L.L.C.*

December 20, 2019



Fannie C. Williams Charter School  
C.L.A.S.S.  
(Community Leaders Advocating Student Success)  
11755 Dwyer Road  
New Orleans, Louisiana 70128  
Office (504) 373-6228 • Fax (504) 245-2796

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Kelly S. Batiste, CEO/Principal

December 20, 2019

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures  
Community Leaders Advocating Student Success d/b/a Fannie C. Williams Charter School

Dear Sirs:

Community Leaders Advocating Student Success d/b/a Fannie C. Williams Charter School will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

**Statewide AUP Findings:**

Written Policies: The School does not have a Disaster Recovery/Business Continuity policy in place.

**Management's Response:**

Fannie C Williams will implement the Disaster Recovery/Business Continuity policy at the next Board Meeting in January 2020.

Board or Finance Committee: The board did not meet on a frequency in accordance with the board's bylaws.

**Management's Response:**

Board tried to reschedule one meeting that was cancelled due to the weather, but did not have a quorum. Management will work with the Board to make sure meetings are held according to the bylaws set by Community Leaders Advocating Student Success.

Collections: Four of the four deposits selected were not deposited within one business day of collection.

**Management's Response:**

Management will work with Mrs. Watson (Business Manager) to make sure deposits are deposited within the time that is required by the state.

Sincerely,

A handwritten signature in cursive script that reads "Kelly S. Batiste". The signature is written in black ink and is positioned above the printed name and title.

Kelly Batiste  
Principle/CEO

**COMMUNITY LEADERS  
ADVOCATING STUDENT SUCCESS, INC.  
(d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL)**

**BESE AGREED-UPON PROCEDURES REPORT**

For the Year Ended June 30, 2019



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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

To the Board of Directors of  
Community Leaders Advocating Student Success, Inc.  
d/b/a Fannie C. Williams Charter School  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (a nonprofit organization) (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 I. 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.

Our procedures and results are as follows:

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

1. We will select a sample of 25 transactions, review supporting documentation, and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Results: No exceptions noted in performing this procedure.**

### **Class Size Characteristics (Schedule 2)**

2. We will obtain a list of classes by school, school type, and class size as reported on the schedule. We will then trace a sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and observe that the class was properly classified on the schedule.

**Results: No exceptions noted in performing this procedure.**

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

3. We will obtain October 1<sup>st</sup> 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 obtain management's representation that the data/listing was complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Results: Two (2) of twenty-five (25) individuals' educational level was incorrectly reported on the June 30, 2019 PEP Report. Three (3) of twenty-five (25) individuals' experience was incorrectly reported on the June 30, 2019 PEP report.**

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

4. We will obtain June 30<sup>th</sup> 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 obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

**Results: No exceptions noted in performing this procedure.**

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 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Carri Riggs & Ingram, L.L.C.*

December 20, 2019

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
SCHEDULE 1 - GENERAL FUND INSTRUCTIONAL AND SUPPORT  
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES  
FOR THE YEAR ENDED JUNE 30, 2019**

**General Fund Instructional and Equipment Expenditures**

General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,760,875	
Other instructional staff activities	506,216	
Instructional Staff Employee benefits	606,775	
Purchased professional and technical services	94,926	
Instructional materials and supplies	34,960	
Less instructional equipment	-	
Total teacher and student interaction activities		\$ 3,003,752
Other instructional activities	127,418	127,418
Pupil support activities	\$ 346,915	
Less equipment for pupil support activities	-	
Net pupil support activities		346,915
Instructional Staff Services	\$ 251,582	
Less equipment for instructional staff services	-	
Net instructional staff services		251,582
School Administration	\$ 460,527	
Less: Equipment for School Administration	-	
Net School Administration		460,527
Total general fund instructional expenditures		\$ 4,190,194
Total general fund equipment expenditures		\$ -

\*Remainder of the BESE Schedule I does not apply to the School.

*See independent accountants' report on applying agreed-upon procedures.*

**COMMUNITY LEADERS ADVOCATING STUDENT SUCCESS, INC.  
d/b/a FANNIE C. WILLIAMS CHARTER SCHOOL  
SCHEDULE 2 - CLASS SIZE CHARACTERISTICS  
FOR THE YEAR ENDED JUNE 30, 2019**

**As of October 1, 2018**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	34%	46	51%	70	15%	21	0%	-
Elementary Activity Classes	52%	16	19%	6	10%	3	19%	6
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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

*See independent accountants' report on applying agreed-upon procedures.*



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Kelly S. Batiste, CEO/Principal

December 20, 2019

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
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And

Carr, Riggs & Ingram, LLC  
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RE: Management's Response to BESE Agreed-Upon Procedures  
Community Leaders Advocating Student Success d/b/a Fannie C. Williams Charter School

Dear Sirs:

Community Leaders Advocating Student Success will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

Kelly Batiste  
Principal, CEO