

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2019

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

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June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Helix Network of Educational Choices
D/B/A Mentorship Academy
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY** (a non-profit organization) (the Academy), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy 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 a Matter

As discussed in Notes 1 and 9 to the financial statements, the Academy has adopted Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Academy's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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 on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy'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 Academy's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 30, 2019

HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
 Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

June 30, 2019
 (with comparative amounts for 2018)

ASSETS

CURRENT ASSETS	<u>2019</u>	<u>2018</u>
Cash	\$ 145,224	\$ 203,329
Receivables	567,435	538,490
Prepaid expenses and other	40,000	-
Total current assets	752,659	741,819
PROPERTY, net	<u>1,050,500</u>	<u>1,102,969</u>
Total assets	<u>\$ 1,803,159</u>	<u>\$ 1,844,788</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 320,164	\$ 96,376
Accrued salaries and benefits	289,811	284,605
Student activity funds	4,803	29,213
Line of credit	240,000	200,000
Capital lease obligations, current portion	33,283	17,836
Notes payable, current portion, less unamortized loan issuance costs	38,729	30,952
Total current liabilities	926,790	658,982
LONG-TERM LIABILITIES		
Capital lease obligations, less current portion	49,599	4,156
Notes payable, less current portion and unamortized loan issuance costs	810,685	832,844
Total liabilities	1,787,074	1,495,982
NET ASSETS		
Without donor restriction	16,085	348,806
Total liabilities and net assets	<u>\$ 1,803,159</u>	<u>\$ 1,844,788</u>

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

HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
 Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019
 (with comparative amounts for 2018)

	Totals	
	2019	2018
REVENUES AND SUPPORT		
State grant - Minimum Foundation Program (MFP)	\$ 5,967,420	\$ 6,216,552
Federal grants:		
Food program	326,912	318,393
Title I	102,454	152,067
Contributions	27,658	771
Other income	104,115	34,866
Total revenues and support	6,528,559	6,722,649
EXPENSES		
Program services	\$ 4,220,260	\$ 4,157,813
Operations and maintenance	1,518,287	1,591,818
General and administrative	1,122,733	1,018,024
Total expenses	6,861,280	6,767,655
Decrease in net assets	(332,721)	(45,006)
NET ASSETS		
Beginning of year	348,806	393,812
End of year	\$ 16,085	\$ 348,806

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

HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
 Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended June 30, 2019
 (with comparative amounts for 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (332,721)	\$ (45,006)
Adjustments to reconcile change in net asset to net cash provided by operating activities:		
Depreciation expense	144,234	140,002
Amortization of loan issuance costs, included in interest expense	5,297	21,188
Change in operating assets and liabilities:		
Increase in receivables	(28,945)	(28,586)
(Increase) decrease in prepaid expenses and other	(40,000)	300
Increase (decrease) in accounts payable and other liabilities	204,584	(37,584)
Net cash (used) provided by operating activities	<u>(47,551)</u>	<u>50,314</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from line of credit	40,000	-
Payments on notes payable	(19,679)	(30,907)
Payments on capital lease obligations	(30,875)	(24,326)
Net cash used by financing activities	<u>(10,554)</u>	<u>(55,233)</u>
Net decrease in cash	(58,105)	(4,919)
CASH		
Beginning of year	<u>203,329</u>	<u>208,248</u>
End of year	<u>\$ 145,224</u>	<u>\$ 203,329</u>
Supplemental disclosure of noncash investing and financing activities:		
Assets acquired through capital lease obligation	<u>\$ 91,765</u>	<u>\$ -</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 57,477</u>	<u>\$ 59,051</u>

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

HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
 Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019
 (with summarized comparative totals for 2018)

	Function			Totals	
	Program	Operations and	General and		
	Services	Maintenance	Administrative	2019	2018
Salaries and benefits	\$ 3,208,458	\$ -	\$ 500,839	\$ 3,709,297	\$ 3,723,756
Rent	-	888,553	-	888,553	904,158
Professional services	83,345	53,696	455,949	592,990	540,901
Student transportation	408,507	-	-	408,507	363,103
Food and beverage	328,874	-	-	328,874	295,956
Materials and supplies	59,789	97,571	23,756	181,116	224,011
Depreciation	-	144,234	-	144,234	140,002
Insurance	-	-	100,807	100,807	80,820
Utilities	-	92,625	-	92,625	105,293
Professional development	90,863	-	-	90,863	55,210
Repairs and maintenance	-	86,182	-	86,182	79,804
Interest	-	62,774	-	62,774	80,239
Property taxes	-	62,584	-	62,584	59,493
Legal	-	-	36,915	36,915	26,588
Telephone and internet	-	28,425	-	28,425	27,726
Recruiting	4,410	-	-	4,410	700
Travel	-	-	4,154	4,154	5,643
Other	36,014	1,643	313	37,970	54,252
Total expenses	\$ 4,220,260	\$ 1,518,287	\$ 1,122,733	\$ 6,861,280	\$ 6,767,655

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

HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

Helix Network of Education Choices d/b/a Mentorship Academy (the Academy) was incorporated on July 1, 2010, as a non-profit corporation under the laws of the State of Louisiana. The Academy operates under a contract with the East Baton Rouge Parish School System (EBRPSS) to operate a Type 1 charter school. The Academy currently has a contract with EBRPSS to operate a charter school through June 30, 2022. The Academy is a public, tuition free, charter school for students in ninth through twelfth grades in East Baton Rouge Parish. The Academy's mission is to develop young adults who learn continuously as our economies and communities change through mentoring relationships with industry professionals. The Academy started its eighth year with approximately 520 students for the 2018-2019 school year.

Financial statement presentation

The Academy reports information regarding its financial position and activities according to two classes of net assets which are without donor restrictions and with donor restrictions, which are described as follows:

Net Assets without donor restrictions are net assets that are for general use and not subject to restriction.

Net assets with donor restriction are net assets subject to donor-imposed stipulations that may or will be met by actions of the Academy and/or the passage of time. 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. The Academy did not have any net assets with donor restrictions at June 30, 2019.

The statement of activities presents expenses of the Academy's operations functionally between program services, operations and maintenance, and general and administrative.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Academy's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting

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

New accounting pronouncement

During the year ended June 30, 2019, the Academy adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU No. 2016-14). This 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 between not-for-profit entities. A key change required by ASU No. 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability of financial assets (Note 8) and a restatement of classification footnote (Note 9) has been added.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and amortization.

Revenues

The Academy receives the significant portion of its revenue from the Minimum Foundation Program (MFP) through EBRPSS. The amount of MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes on a per student basis.

Federal funds are provided through the Louisiana Department of Education and the East Baton Rouge Parish School Board. The Academy also receives federal support for food service that is based on the number of students, which is restricted in use.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value financial instruments

The carrying value of cash, receivables, prepaid expenses, accounts payable, and accrued expenses approximates fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rate offered for debt of comparable maturities and collateral requirements. None of the financial instruments are held for trading purposes.

Cash

Cash, for purposes of the statement of cash flows, consists of cash on hand, demand deposit and savings accounts. The Academy typically maintains cash in local banks that may, at times, exceed FDIC insured limits of \$250,000. Management believes the risk is minimal.

Receivables

The receivables are stated at the amount management expects to collect. Management considers all amounts to be collectible; therefore, no allowance has been recorded at June 30, 2019. The Academy had no receivables outstanding for greater than 90 days.

Property

Property is recorded at cost less accumulated depreciation. The Academy's policy requires assets with unit cost greater than \$500 to be capitalized as property. If an asset is donated to the Academy by a third party, its fair market value at the time of the acquisition shall be considered as the acquisition cost. Property acquired with grant funds are disposed of in accordance with grantor requirements. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. Expenses for maintenance and repairs are expensed as incurred.

Paid time off (PTO)

The Academy's PTO policy states instructional staff members can earn up to seven days of vacation and sick leave during the fiscal year, are allowed to carryover unused vacation and sick days from year to year. After three years of service, employees are eligible to receive a payout of any unused PTO. A request for payout must be made to the Supervisor for approval. Non-instructional staff members may earn up to fifteen vacation and sick days and can carryover five days at year end, for a maximum annual benefit of twenty days. At June 30, 2019, the Academy had \$65,500 in accrued PTO.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax exempt status

The Academy is a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Academy's open audit periods are 2015 through 2019.

Advertising

The Academy expensed advertising costs of \$8,243 as incurred during 2019.

Functional expenses

The financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, amortization, interest, and other occupancy costs, are allocated to general and administrative expenses. Program service expenses are based on the direct costs associated with the program.

Subsequent events

Subsequent events and transactions for potential recognition or disclosure in the financial statements were evaluated through December 30, 2019, which was the date the financial statements were available to be issued.

NOTE 2 - PROPERTY

Property, service lives, and accumulated depreciation at June 30, 2019 were as follows:

	<u>Estimated Service Lives</u>	<u>Amount</u>
Leasehold improvements	5-20 years	\$ 1,254,952
Furniture, fixtures, and equipment	3-15 years	1,017,637
		2,272,589
Less accumulated depreciation		(1,222,089)
Property, net		\$ 1,050,500

Depreciation expense was \$144,234 for 2019.

As of June 30, 2019, the Academy has capitalized equipment acquired through capital leases with a cost of \$138,112 and corresponding accumulated amortization of \$60,323. Amortization for these assets was \$35,401 in 2019 and is included in depreciation expense.

(continued)

NOTE 3 - LONG TERM DEBT

Long-term debt at June 30, 2019, consisted of the following:

\$900,000 note payable, interest at 5.0%, to provide funds for renovations and improvements to school facilities. Due in monthly installments of \$6,821 through January 2021 with a balloon payment of \$788,192 in February 2021.	\$ 849,414
\$45,840 capital lease obligation, interest at 2.7% and due in monthly installments of \$1,240, including interest through February 2022.	42,425
\$45,925 capital lease obligation, interest at 5.4% and due in monthly installments of \$1,284, including interest through July 2021.	34,930
\$46,347 capital lease obligation, interest at 5.4% and due in monthly installments of \$1,397, including interest through October 2019.	<u>5,527</u>
Total long-term debt	\$ <u>932,296</u>

All debt is collateralized by the assets purchased.

Future maturities of long-term debt are as follows:

Year ending June 30th	Note payable	Capital leases	Total net maturities
2020	\$ 38,729	\$ 33,283	\$ 72,012
2021	810,685	28,903	839,588
2022	<u>-</u>	<u>20,696</u>	<u>20,696</u>
Total	<u>\$ 849,414</u>	<u>\$ 82,882</u>	<u>\$ 932,296</u>

NOTE 4 - LINE OF CREDIT

The Academy has a variable interest rate (prime rate of the lender plus 1.8%, for an effective rate of 5.4% at June 30, 2019) revolving line of credit with a borrowing limit of \$250,000 and an outstanding balance of \$240,000 at June 30, 2019.

The line of credit is payable on demand, matures on January 16, 2020, and is collateralized by the Academy's deposits held with the creditor's institution.

NOTE 5 - RETIREMENT PLAN

The Academy sponsors an Internal Revenue Code Section 403(b) Plan which covers substantially all employees of the Academy immediately upon employment. Employees may contribute up to the lesser of \$19,000 or 100% of includable compensation. The Academy matches 100% of the employee's elective contribution to the retirement plan, not to exceed 4% of the employee's compensation. Employer contributions were approximately \$34,300 for 2019.

NOTE 6 - CONCENTRATIONS

The Academy receives the majority of its operating revenue from state and federal grants. The percentage of revenue and receivables from these sources is as follows:

	Revenues	Receivables
Minimum Foundation Program (MFP) grant	90%	94%
Food program grant	5%	-
Title I grant	2%	6%
Contributions	1%	-
Other	2%	-
	100%	100%

NOTE 7 - COMMITMENT AND CONTINGENCIES

Lease - Building

The Academy leases teaching and office facilities under an operating lease with base monthly payments of \$59,756. On August 1st of each year, the payment amount is adjusted by the greater of 2% per annum or the annual consumer price index (CPI) increase, not to exceed 5%. This lease expires in 2031. Lease expense for 2019 was \$783,347.

The estimated future minimum payments under this lease at June 30, 2019, are as follows:

For the year ended June 30,	Amount
2020	\$ 799,000
2021	815,000
2022	831,300
2023	847,900
2024	864,900
2025 and thereafter	6,558,400
Total	\$ 10,716,500

NOTE 7 - COMMITMENT AND CONTINGENCIES (CONTINUED)

Lease - Senior Center

The Academy leases Senior Center facilities under an operating lease with base monthly payments of \$10,000. Upon execution of the lease, a \$30,000 prepayment as well as a \$10,000 security deposit was required. The prepayment of \$30,000 will be applied to required lease payments for the fiscal year ending June 30, 2020. On July 1st of each year, the payment amount is increased by 3%. The lease expires in June 2024. Lease expense for 2019 was \$40,000.

The estimated future minimum payments under this lease at June 30, 2019, are as follows:

For the year ended June 30,	Amount
2020	\$ 120,000
2021	123,600
2022	127,300
2023	131,100
2024	135,000
Total	\$ 637,000

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Academy's financial assets available within one year of the balance sheet date for general expenditure are as follows.

	Amount
Cash	\$ 145,224
Receivables	567,435
Financial assets available within one year, at year end	\$ 712,659

As part of the Academy's liquidity management, the Academy maintains sufficient cash funds during the year attributable to the annual cash receipts from federal, state, and local grants, and contributions from foundations and individuals. To help manage unanticipated liquidity needs, the Academy has committed a line of credit in the amount of \$250,000, which it could draw upon. As of June 30, 2019, \$10,000 was available.

NOTE 9 - RESTATEMENT OF CLASSIFICATION OF NET ASSETS

As discussed in Note 1, the Academy Implemented ASU No. 2016-14 during 2019 and, as a result, was required to restate net assets for June 30, 2018 to address the complexity and understandability of net asset classifications. Net assets previously reported as permanently or temporarily restricted are now reported as "net assets with donor restrictions", and net assets previously reported as unrestricted are now reported as "net assets without donor restrictions." The adoption of this standard had no effect on the Academy's overall net assets balance at June 30, 2018.

SUPPLEMENTARY INFORMATION

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

June 30, 2019

Agency Head: Robert Webb, Jr., CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 120,271
Payroll taxes	9,742
Benefits - insurance	5,447
Benefits - retirement	4,811
Travel	3,079
Reimbursements	195
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Total	\$ 143,544
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Report on Internal Control and Compliance
HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
Baton Rouge, Louisiana

June 30, 2019



**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
Helix Network of Educational Choices
D/B/A Mentorship Academy
Baton Rouge, 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 **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY** (the Academy) (a non-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 30, 2019

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended June 30, 2019

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiency in internal control were disclosed by the audit of financial statements: **None.**

Material weaknesses: **None.**

- C) Noncompliance that is material to the financial statements: **None.**
- D) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

For the year ended June 30, 2019

There were none.

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY**
Baton Rouge, Louisiana

AGREED-UPON PROCEDURES REPORT

June 30, 2019



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

To the Board of Directors of
Helix Network of Education Choices,
d/b/a Mentorship Academy
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Helix Network of Education Choices, d/b/a Mentorship Academy (the Academy) 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 Entity'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.

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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 result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 30, 2019

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

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):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/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).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - 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.

Procedure 1(j) was not performed in the current year as it does not apply to non-profits.

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

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 entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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).
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:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

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).
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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were noted in the prior year report dated June 30, 2018 audit report dated December 27, 2018. Therefore, procedures 8, 9, and 10 were not performed for the year ended June 30, 2019.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were noted in the prior year report dated June 30, 2018 audit report dated December 27, 2018. Therefore, procedure 15 was not performed for the year ended June 30, 2019.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions were noted in the June 30, 2017 audit report dated December 20, 2017. Therefore, procedures 16, 17, 18, and 19 were not performed for the years ended June 30, 2019 and 2018.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The above procedures were not performed in the current year as they are not applicable to non-profit organizations.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted in the June 30, 2017 audit report dated December 20, 2017. Therefore, procedures 23 and 24 were not performed for the years ended June 30, 2019 and 2018.

**HELIX NETWORK OF EDUCATIONAL CHOICES
D/B/A MENTORSHIP ACADEMY
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED JUNE 30, 2019**

Reference	Description of Exception
<i>Written Policies and Procedures</i> Procedure 1 (f) (3) (5)	The Academy's policies did not include how contracts are legally reviewed or a monitoring process.
<i>Written Policies and Procedures</i> Procedure 1 (i) (1) (4)	The Academy's policies did not include prohibitions as defined in the Louisiana Statute 42:1111-1121 or requirements that all employees attest through signature verification that they have read the Academy's ethics policy.
<i>Written Policies and Procedures</i> Procedure 1 (k) (1) (2) (3) (4) (5) (6)	The Academy's policies did not include a disaster recovery or business continuity plan.
<i>Bank Reconciliations</i> Procedure 3 (a)	The Academy did not include evidence bank reconciliations were within two months of statement closing dates.
<i>Bank Reconciliations</i> Procedure 3 (b)	The Academy did not include evidence that a member of management or board member, who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
<i>Collections</i> Procedure 5 (b)	The Academy has employees responsible for collecting cash who are also responsible for making bank deposits.
Procedure 7 (d)	3 of 4 deposits were not made within one business day of receipt.
<i>Credit Cards</i> Procedure 13 (1) (2) (3)	Five disbursements lacked an original invoice or billing statement and six selected transactions lacked written documentation of business purpose. All five disbursements lacking original invoice, did not include documentation as to why the receipt was missing. Two of the missing receipts were related to meal expenses and lacked documentation of meal participants.

Reference	Description of Exception
<i>Travel Reimbursements</i> Procedure 14 (b)	Two instances of reimbursement were not supported by original itemized receipt.
<i>Travel Reimbursements</i> Procedure 14 (c)	Five instances of meal charges did not include documentation of the individuals participating.
<i>Ethics</i> Procedure 20 (b)	Employees are not required by the Academy to attested through signature verification that he or she has read the Academy's ethics policy during the fiscal period.



To the Board of Directors
Helix Network of Educational Choices
D/B/A Mentorship Academy
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY** (the Academy), as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Academy's internal control in our report dated December 30, 2019. This letter does not affect our report dated December 30, 2019 on the financial statements of the Academy.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Academy personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized on Attachment A.

This report is intended solely for the information and use of the Academy's Board of Directors, management, the Louisiana Legislative Auditor, and others within the Academy and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 30, 2019

2019-001 Credit Cards

Observation: During the audit of the financial statements, certain tests were performed on credit card charges and the related supporting documentation. Two months of credit card charges were tested; the results of our procedures determined 6 of 17 charges (approximately 35%) were unsupported that totaled \$130.

Under the employee policy manual, the policy regarding credit card charges states: “Itemized receipts for every charge along with cardholder approval and description of charges must be submitted to Business Manager each month... Any receipts for meals or entertainment must clearly indicate the names of all persons attending the meal and the business purpose of the meeting.”

The results of our testing indicated credit card holders are not following the Academy’s credit card policy consistently.

Recommendation: We recommend that the Academy requires all card holders to sign a credit acknowledgement form that outlines the policies and procedures regarding credit cards annually. For charges with insufficient documentation, the Academy should consider requiring individuals attest through signature the nature of the unsupported charge, and if repetitive, determine if credit card privileges should be revoked. Additionally, the Academy may consider modifying their policy for only requiring receipts for charges over a certain threshold (i.e. \$15 or greater).

Management’s response: Management agrees with the recommendation above and intends to modify procedures to better monitor credit card usage and documentation.

2019-002 Daily Deposits

Observation: During the audit of the financial statements, certain tests were performed on deposits and the related supporting documentation. The following was observed:

- The Academy collects cash receipts for sales related to athletic events, fundraisers, student activity funds, and academic related supplies.
- Cash from these receipts are not consistently deposited on a timely basis.
- Testing of 3 deposits indicated time spans of 38 days, 30 days, and 6 days between receipt date and deposit date, respectively.
- The larger time spans between collection date and deposit date appear to be related to student fees.

Recommendations: The Academy should deposit all cash and checks received on a daily basis, whenever practicable.

Management’s response: The Academy will review its policies for cash deposits and make proper adjustments for collecting and depositing cash in a timely manner.