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**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2017

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 10 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
**James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association**

Report on the Financial Statements

We have audited the accompanying financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 2017, 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 the 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to JMSCS'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 JMSCS'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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the financial position of **JMSCS** as of June 30, 2017, and the changes in its net assets, statements of functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2017, on our consideration of **JMSCS's** internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering **JMSCS's** internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 22, 2017

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017**

ASSETS

Cash (NOTE 2)	\$ 339,279
Amounts receivable	244
Amounts due from sponsor organization, and other programs, net	484,763
Grants receivable (NOTE 4)	75,667
Investment (NOTE 20)	104,425
Property and equipment, net (NOTE 3)	167,710
Prepaid items (NOTE 16)	<u>15,131</u>
 Total assets	 <u>\$1,187,219</u>

LIABILITIES

Amounts payable (NOTE 14)	\$ 332,789
Salaries and other payables (NOTE 8)	37,679
Capital lease payable (NOTE 3)	105,007
Reserve for unemployment and other benefits (NOTE 13)	611,203
Note payable (NOTE 21)	<u>6,679</u>
 Total liabilities	 <u>1,093,357</u>

CONTINGENCIES AND COMMITMENTS
(NOTES 5, 6, 7 and 11)

NET ASSETS

Unrestricted	<u>93,862</u>
 Total net assets	 <u>93,862</u>
 Total liabilities and net assets	 <u>\$1,187,219</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Support and Revenues:	
State of Louisiana	\$4,303,651
In-kind (NOTE 18)	38,471
Support from other programs	28,705
Interest income	5,761
Contributions	1,752
Other income	<u>13,852</u>
Total support and revenues	<u>4,392,192</u>
Expenses:	
Program services	4,537,573
Supporting services	<u>405,128</u>
Total expenses	<u>4,942,701</u>
Change in net assets	<u>(550,509)</u>
Net assets, as previously reported	566,552
Adjustment to beginning net assets (NOTE 22)	<u>77,819</u>
Net assets as restated, beginning of year	<u>644,371</u>
Net assets, end of year	\$ <u>93,862</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>
	<u>Instructional</u>	<u>Management and General</u>
Expenses:		
Salaries	\$1,858,540	\$ 237,152
Employee benefits	329,138	44,804
Payroll taxes	151,210	18,278
Professional fees and contract services	325,190	18,561
Supplies	24,790	3,684
Instructional material and supplies	64,909	-0-
Telephone	66,090	6,816
Postage and shipping	1,031	-0-
Professional development	43,136	-0-
Utilities	229,106	15,563
Rent	480,840	-0-
Security system and services	85,730	-0-
Janitorial supplies	39,086	4,568
Repairs and maintenance	82,922	18,956
Technical maintenance and supplies	29,457	-0-
Insurance	148,540	-0-
Equipment rental	328	-0-
Food cost	14,753	4,645
Printing	28,790	-0-
In-kind expense (NOTE 18)	38,471	-0-
Student activities	23,257	-0-
Depreciation and amortization	68,880	-0-
Transportation	325,962	-0-
Bank charges	356	120
Interest expense	7,394	-0-
Other expense	48,303	31,981
Management fees	<u>21,364</u>	<u>-0-</u>
Total	<u>\$4,537,573</u>	<u>\$405,128</u>

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

**JAMES M. SINGLETON CHARTER SCHOOL,
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017**

Cash Flow Used by Operating Activities:

Change in net assets	\$ (550,509)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	68,880
Increase in grants receivable	(13,336)
Decrease in amounts payable	(50,854)
Increase in salaries, and other payables	6,429
Decrease in amounts receivable	3,900
Decrease in prepaid items	54,735
Increase in reserve for unemployment and other benefits	10,620
Increase in amounts due from sponsor organization and other programs	<u>(133,169)</u>
Net cash used by operating activities	<u>(603,304)</u>

Cash Flow Used by Investing Activities:

Purchase of investment	(1,214)
Purchase of furniture and equipment	(65,861)
Acquisition of property held under capital lease	(68,101)
Other	<u>(4,650)</u>
Cash used by investing activities	<u>(139,826)</u>

Cash Flow Provided by Financing Activities:

Repayment of notes payable	(45,979)
Proceeds from capital lease obligations	<u>89,852</u>
Net cash provided by financing activities	<u>43,873</u>

 Net decrease in cash (699,257)

Cash, beginning of year 1,038,536

Cash, end of year \$ 339,279

Interest expense paid during the year ended June 30, 2017 \$ 7,394

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

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies:

Background

James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association is an independent public school sponsored by Dryades Young Men's Christian Association (the Association), a non-profit corporation organized under the laws of the State of Louisiana.

JMSCS operates under a charter agreement approved by the Board of Elementary and Secondary Education. The charter agreement which expired during 2017 has been renewed through 2023.

General

As of June 30, 2017, **JMSCS** administered an independent public school funded by the State of Louisiana to provide a framework for experimentation through the creation of a mechanism to accomplish the following objectives:

- Improve pupil learning and, in general, the public school system;
- Increase learning opportunities and access to quality education for pupils;
- Encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures;
- Require appropriate assessment and measurement of academic learning results;
- Account better and more thoroughly for educational results; and
- Create new professional opportunities for teachers and other school employees.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting

The financial statements of **JMSCS** are prepared in accordance with accounting principles generally accepted in the United States of America and on the accrual basis.

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 disclosure 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.

Funding

JMSCS receives its major funding from the State of Louisiana's Minimum Foundation Program as well as other direct funding from the State of Louisiana.

Property and Equipment

JMSCS follows the practice of capitalizing all property and equipment acquisitions over \$2,000. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. **JMSCS** depreciates property and equipment over a five-year period.

Amortization is recorded at rates designed to amortize cost over estimated useful lives.

Property and equipment acquired under grants, vest subject to use, management and disposition requirements.

Capital leases and related liabilities are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among instructional and management and general in the accompanying statement of functional expenses.

Statement of Cash flows

For purposes of the statement of cash flows, **JMSCS** considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2017, **JMSCS** had no cash equivalents.

Financial Statement Presentation

Under Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Section 958-605, *Not-For-Profit Entities, Revenue Recognition*, **JMSCS** must recognize contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, must be recognized as expenses in the period made at their fair value.

Under FASB ASC Section 958-205, **JMSCS** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, **JMSCS** is required to present a statement of cash flows. Revenues received and expenses incurred in conducting the activities of **JMSCS** are included in the unrestricted net assets category.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by **JMSCS** using available market information and appropriate valuation methodologies.

JMSCS considers the carrying amounts of cash, amounts and grants receivable, prepaid items, investment, amounts payable and other liabilities, and capital lease payable to be at fair market.

Budgetary Data

JMSCS formally adopts a budget. The budgetary data are submitted to the State of Louisiana for approval. For the LA-4 Federal and State programs, the budget is restricted to approved line items and total budgeted amounts.

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfers. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram activities are netted at the combined financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash:

At June 30, 2017, cash consisted of demand and time deposits with a carrying and market value of \$339,279.

A detail of cash at June 30, 2017 are as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Market Value</u>
Cash in banks	Varying rates	\$151,889	\$151,889
Savings	Varying rates	<u>187,390</u>	<u>187,390</u>
Total		<u>\$339,279</u>	<u>\$339,279</u>

NOTE 3 - Property and Equipment, Net:

At June 30, 2017, property and equipment, net consisted of the following:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirement</u>	<u>Other</u>	<u>Balance June 30, 2017</u>
Furniture and equipment	\$ 696,372	\$ 65,861	\$ -0-	\$ 4,650	\$ 766,883
Property held under capital lease	<u>165,999</u>	<u>91,158</u>	<u>(98,824)</u>	<u>-0-</u>	<u>158,333</u>
Sub-total	862,371	157,019	(98,824)	4,650	925,216
Less: accumulated depreciation and amortization	<u>(764,238)</u>	<u>(68,880)</u>	<u>75,767</u>	<u>(155)</u>	<u>(757,506)</u>
Total	<u>\$ 98,133</u>	<u>\$ 88,139</u>	<u>\$(23,057)</u>	<u>\$ 4,495</u>	<u>\$ 167,710</u>

Accumulated depreciation and amortization includes cumulative amortization totaling \$55,711 at June 30, 2017.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Property and Equipment, Net, Continued:

The future minimum lease payments under the capital leases in excess of one year as of June 30, 2017, and for each of the next three (3) years are:

<u>Year Ended</u>	
2018	\$ 57,586
2019	43,985
2020	<u>11,051</u>
	112,622
Less: unamortized discount	<u>(7,615)</u>
Net present value of minimum lease payments	<u>\$105,007</u>

Interest rate on the capital leases is 5.75% and is imputed based on JMSCS's estimated incremental borrowing rates at inception of the leases.

NOTE 4 - Grants Receivable:

At June 30, 2017, grants receivable of \$75,667 consisted of various amounts billed but not yet paid by the State of Louisiana, Department of Education.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Income Taxes:

The Association, which is the sponsor organization for **JMSCS**, is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

JMSCS files through its sponsor organization Dryades Young Men's Christian Association an exempt tax return. Should that status be challenged in the future, its tax returns for the three (3) years ended 2016 are subject to examination.

NOTE 6 - Retirement Plan:

JMSCS had through the year ended June 30, 2017, one defined contribution retirement plan for its instructional and non-instructional employees. **JMSCS** contributed for each eligible employee having two or more years of service, 12% of his or her respective gross salary during the year ended June 30, 2017. Pension costs are funded on a current basis. **JMSCS's** total pension costs for 2017 was \$168,315.

Also, on June 18, 2014, the Legislative Auditor for the State of Louisiana issued its investigative report on **JMSCS's** Teachers Retirement System of Louisiana retirement plan. Currently, management is in continuous discussion with the State of Louisiana regarding the content of the referenced report.

It is legal counsel's opinion at June 30, 2017 and December 22, 2017 that a possible claim or assessment may arise at some point, but counsel does not believe, at this time that any such possibility would result in an unfavorable outcome for **JMSCS**.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Contingencies and Commitments:

JMSCS is a recipient of funding from the State of Louisiana's Minimum Foundation Program to include other grants received through the State of Louisiana. The funding is governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded is under the control and administration of JMSCS and is subject to audit and/or review by the applicable funding source. Any funds found to be not properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

NOTE 8 - Salaries and Other Payables:

At June 30, 2017, salaries and other payables consisted of the following:

Salaries, taxes and withholding payable	\$17,148
Retirement payable	<u>20,531</u>
Total	<u>\$37,679</u>

NOTE 9 - Risk Management:

JMSCS is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which JMSCS carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 10 - Concentration of Revenue Source:

JMSCS receives primarily all of its support from the State of Louisiana. If the amount of revenue received should fall below award budgeted levels, JMSCS's operating results could be adversely affected.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Leases:

JMSCS signed operating leases for equipment, office and classroom space. The lease for the equipment expires in 2019. Subsequent to year-end, the leases for office and classroom space have been renewed through June 2018. Minimum future rental payments under the leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$513,238
2019	43,985
2020	<u>11,052</u>
Total	<u>\$568,275</u>

Rental expense for the year ended June 30, 2017 was \$480,840.

NOTE 12 - Concentration of Credit Risk:

Financial instruments which potentially subject JMSCS to concentrations of credit risk consist principally of cash.

NOTE 13 - Reserve for Unemployment and Other Benefits:

Under an agreement with the State Department of Labor, JMSCS pays for unemployment benefits on an actual basis (at the point of billing). At June 30, 2017, \$411,203 represents a reserve for such future costs. The remaining balance of \$200,000 represents a reserve for other employee benefits for a total of \$611,203.

NOTE 14 - Amounts Payable:

At June 30, 2017, amounts payable consisted of the following:

Amounts payable - vendors	\$ 48,839
Amounts payable - City of New Orleans	<u>283,950</u>
Total	<u>\$332,789</u>

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 15 - Per Diem to Board of Directors:

During the year ended June 30, 2017, no board member received per diem in his or her capacity as director.

NOTE 16 - Prepaid Items:

At June 30, 2017, prepaid items consisted of the following:

Security deposit	\$ 2,000
Prepaid insurance	<u>13,131</u>
	<u>\$15,131</u>

NOTE 17 - Subsequent Events:

JMSCS is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition and/or disclosure in the accompanying financial statements. JMSCS performed such an evaluation through December 22, 2017, the date on which the accompanying financial statements were available to be issued, and noted no subsequent events or transactions that occurred requiring recognition and/or disclosure.

NOTE 18 - In-kind:

Included in the Statement of Activities for the year ended June 30, 2017 was \$38,471 in donated food commodities.

NOTE 19 - Related Party:

JMSCS leases office space expiring in June 30, 2017 under operating leases with its sponsor organization in the amount of \$30,503 per month or \$366,036 annually. For the year ended June 30, 2017, total payments to the sponsor organization consisting of lease payments was \$366,036.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 20 - Investment:

At June 30, 2017, investment consisted of a certificate of deposit with a carrying and market value of \$104,425 earning interest of .5%. The certificate matures on September 29, 2020.

NOTE 21 - Note Payable:

On August 22, 2013, the Association executed an agreement to finance the acquisition of furniture. The agreement requires installment payments of \$517.29 payable monthly for a period of sixty months.

A summary of the outstanding principal balance over the next two (2) years follows:

<u>Year</u>	<u>Amount</u>
2018	\$5,603
2019	<u>1,076</u>
	<u>\$6,679</u>

NOTE 22 - Adjustment to Beginning Net Assets:

The beginning net assets is restated to reflect adjustments to properly state prior year's earned revenue of \$72,991 for Special Funds and \$4,828 for Charter School Program for a total of \$77,819.

SUPPLEMENTARY INFORMATION



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Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Directors
**James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association**

**Report on Schedule of Expenditures of Federal Awards
Required by *the Uniform Guidance***

Our report on our audit of the financial statements of **James M. Singleton Charter School (JMCS), Sponsor Organization Dryades Young Men's Christian Association** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis as required by *the Uniform Guidance* and is not a required part of the financial statements. Schedule I 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 in Schedule I 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, Schedule I is fairly stated in all material respects in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION
(CONTINUED)**

Other Information

Also, the supplementary information (Exhibits I, II, and III) and Schedule II on pages 23 through 29, which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to auditing procedures applied in the audit 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 supplementary information (Exhibits I, II, and III) and Schedule II is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 22, 2017

**JAMES M. SINGLETON CHARTER SCHOOL
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017**

<u>Program Grantor /Title</u>	<u>CDFA NUMBER</u>	<u>Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass Through as Subgrantee of the State of Louisiana		
Department of Education:		
LA-4 Starting Points Pre Kindergarten Program (TANF)	93.558	\$ <u>94,146</u>
Total U.S. Department of Health and Human Services		<u>94,146</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF EDUCATION</u>		
Pass Through as Subgrantee of the State of Louisiana		
Department of Education:		
Title I - Grants to Local Educational Agencies	84.010	306,603
Title II - Improving Teacher Quality State Grants	84.367	50,815
IDEA Part B - Handicapped	84.027	<u>88,300</u>
Total U. S. Department of Education		<u>445,718</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Program Grantor /Title</u>	<u>CDFA NUMBER</u>	<u>Expenditures</u>
<u>PROGRAMS FUNDED BY THE U.S. DEPARTMENT OF AGRICULTURE</u>		
Pass Through as Subgrantee of the State of Louisiana Department of Agriculture: National School Lunch Program	10.555	\$ <u>38,471</u>
Total U.S. Department of Agriculture		<u>38,471</u>
Total all programs		<u>\$578,335</u>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of **JMSCS** and is presented on an accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of *the Uniform Guidance*.

NOTE: **JMSCS** has not elected to use the 10% de minimis indirect cost rate.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2017

NAME: Mr. Gregory Phillips

Salary	\$146,215
Benefits (social security and medicare)	11,185
Retirement	<u>17,546</u>
	<u>\$174,946</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2017**

STATE OF LOUISIANA
 DEPARTMENT OF EDUCATION

	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Totals (Memorandum Only)</u>
<u>Assets</u>					
Cash	\$ 319,826	\$ 9,605	\$ -0-	\$ 9,848	\$ 339,279
Investment	104,425	-0-	-0-	-0-	104,425
Grants receivable	-0-	6,335	16,015	53,317	75,667
Amounts receivable	-0-	244	-0-	-0-	244
Inter program due from	1,664,711	779,673	586,875	118,265	3,149,524
Property and equipment, net	107,272	-0-	-0-	-0-	107,272
Capital assets under lease, net	60,438	-0-	-0-	-0-	60,438
Prepaid items	<u>15,131</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,131</u>
Total	<u>\$2,271,803</u>	<u>\$795,857</u>	<u>\$602,890</u>	<u>\$181,430</u>	<u>\$3,851,980</u>

See Independent Auditors' Report on Supplementary Information

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FINANCIAL POSITION, CONTINUED
JUNE 30, 2017**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION				
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Totals (Memorandum Only)</u>
<u>LIABILITIES AND NET ASSETS</u>					
Liabilities:					
Amounts payable	\$ 46,580	\$ 1,612	\$ -0-	\$ 647	\$ 48,839
Amounts payable-City of New Orleans	283,950	-0-	-0-	-0-	283,950
Inter program due to	1,185,407	794,186	595,833	89,335	2,664,761
Salaries and other payables	37,679	-0-	-0-	-0-	37,679
Capital lease payable	105,007	-0-	-0-	-0-	105,007
Reserve for unemployment and other benefits	604,087	59	7,057	-0-	611,203
Note payable	<u>6,679</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,679</u>
Total liabilities	<u>2,269,389</u>	<u>795,857</u>	<u>602,890</u>	<u>89,982</u>	<u>3,758,118</u>
Net Assets:					
Unrestricted	<u>2,414</u>	<u>-0-</u>	<u>-0-</u>	<u>91,448</u>	<u>93,862</u>
Total net assets	<u>2,414</u>	<u>-0-</u>	<u>-0-</u>	<u>91,448</u>	<u>93,862</u>
Total liabilities and and net assets	<u>\$2,271,803</u>	<u>\$795,857</u>	<u>\$602,890</u>	<u>\$181,430</u>	<u>\$3,851,980</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
 SPONSOR ORGANIZATION
 DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION				Totals (Memorandum Only)
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	
Support and Revenues:					
State of Louisiana	\$3,677,226	\$86,561	\$94,146	\$445,718	\$4,303,651
In-kind	38,471	-0-	-0-	-0-	38,471
Support from other programs	-0-	105	-0-	28,600	28,705
Interest income	5,761	-0-	-0-	-0-	5,761
Contributions	1,752	-0-	-0-	-0-	1,752
Other income	<u>13,852</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,852</u>
Total support and revenues	<u>3,737,062</u>	<u>86,666</u>	<u>94,146</u>	<u>474,318</u>	<u>4,392,192</u>

See Independent Auditors' Report on Supplementary Information.

**JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF ACTIVITIES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

	STATE OF LOUISIANA DEPARTMENT OF EDUCATION				
	<u>Charter School</u>	<u>LA-4 State</u>	<u>LA-4 Federal</u>	<u>Special Funds</u>	<u>Totals (Memorandum Only)</u>
Expenses:					
Program services	\$3,882,886	\$86,666	\$94,146	\$473,875	\$4,537,573
Supporting services	<u>405,128</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>405,128</u>
Total expenses	<u>4,288,014</u>	<u>86,666</u>	<u>94,146</u>	<u>473,875</u>	<u>4,942,701</u>
Change in net assets	<u>(550,952)</u>	<u>-0-</u>	<u>-0-</u>	<u>443</u>	<u>(550,509)</u>
Net assets, as previously reported	548,538	-0-	-0-	18,014	566,552
Adjustment to beginning net assets	<u>4,828</u>	<u>-0-</u>	<u>-0-</u>	<u>72,991</u>	<u>77,819</u>
Net assets as restated, beginning of year	<u>553,366</u>	<u>-0-</u>	<u>-0-</u>	<u>91,005</u>	<u>644,371</u>
Net assets, end of year	<u>\$ 2,414</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 91,448</u>	<u>\$ 93,862</u>

See Independent Auditors' Report on Supplementary Information.

JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>CHARTER SCHOOL</u>	
	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>
Expenses:		
Salaries	\$1,343,860	\$237,152
Employee benefits	253,887	44,804
Payroll taxes	121,855	18,278
Professional fees and contract services	322,640	18,561
Supplies	24,790	3,684
Instructional materials and supplies	64,884	-0-
Telephone	66,090	6,816
Postage and shipping	1,031	-0-
Professional development	37,661	-0-
Utilities	229,106	15,563
Rent	480,840	-0-
Security system and services	85,730	-0-
Janitorial supplies	39,086	4,568
Repairs and maintenance	82,922	18,956
Technical maintenance and supplies	29,457	-0-
Insurance	148,540	-0-
Equipment rental	328	-0-
Food cost	14,048	-0-
Printing	28,790	4,645
In-kind	38,471	-0-
Student activities	22,457	-0-
Depreciation and amortization	68,880	-0-
Transportation	325,417	-0-
Bank charges	-0-	120
Interest expense	7,394	-0-
Other expense	44,722	31,981
Management fees	-0-	-0-
	<u> </u>	<u> </u>
Total	<u>\$3,882,886</u>	<u>\$405,128</u>

See Independent Auditors' Report on Supplementary Information.

JAMES M. SINGLETON CHARTER SCHOOL
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017

	STATE OF LOUISIANA - DEPARTMENT OF EDUCATION							
	LA-4 State		LA-4 Federal		Special Funds		Totals (Memorandum Only)	
	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services	Program Services	Supporting Services
Expenses:								
Salaries	\$70,251	\$ -0-	\$69,450	\$ -0-	\$374,979	\$ -0-	\$1,858,540	\$237,152
Employee benefits	12,154	-0-	13,861	-0-	49,236	-0-	329,138	44,804
Payroll taxes	4,153	-0-	6,534	-0-	18,668	-0-	151,210	18,278
Professional fees and contract services	-0-	-0-	-0-	-0-	2,550	-0-	325,190	18,561
Supplies	-0-	-0-	-0-	-0-	-0-	-0-	24,790	3,684
Instructional materials and supplies	-0-	-0-	25	-0-	-0-	-0-	64,909	-0-
Telephone	-0-	-0-	-0-	-0-	-0-	-0-	66,090	6,816
Postage and shipping	-0-	-0-	-0-	-0-	-0-	-0-	1,031	-0-
Professional development	-0-	-0-	-0-	-0-	5,475	-0-	43,136	-0-
Utilities	-0-	-0-	-0-	-0-	-0-	-0-	229,106	15,563
Rent	-0-	-0-	-0-	-0-	-0-	-0-	480,840	-0-
Security system and services	-0-	-0-	-0-	-0-	-0-	-0-	85,730	-0-
Janitorial supplies	-0-	-0-	-0-	-0-	-0-	-0-	39,086	4,568
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	-0-	82,922	18,956
Technical maintenance and supplies	-0-	-0-	-0-	-0-	-0-	-0-	29,457	-0-
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	148,540	-0-
Equipment rental	-0-	-0-	-0-	-0-	-0-	-0-	328	-0-
Food Cost	-0-	-0-	150	-0-	555	-0-	14,753	-0-
Printing	-0-	-0-	-0-	-0-	-0-	-0-	28,790	4,645
In-kind	-0-	-0-	-0-	-0-	-0-	-0-	38,471	-0-
Student activities	-0-	-0-	-0-	-0-	800	-0-	23,257	-0-
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	68,880	-0-
Transportation	-0-	-0-	545	-0-	-0-	-0-	325,962	-0-
Bank charges	108	-0-	-0-	-0-	248	-0-	356	120
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	7,394	-0-
Other expenses	-0-	-0-	3,581	-0-	-0-	-0-	48,303	31,981
Management fees	-0-	-0-	-0-	-0-	21,364	-0-	21,364	-0-
Page total	<u>86,666</u>	<u>-0-</u>	<u>94,146</u>	<u>-0-</u>	<u>473,875</u>	<u>-0-</u>	<u>4,537,573</u>	<u>405,128</u>

See Independent Auditors' Report on Supplementary Information.



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Joseph A. Akanji, CPA

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
James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association

We have audited 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 of America the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cashflows for the year then ended, and the related notes to the financial statements and have issued our report dated December 22, 2017.

Internal Control Over Financial Reporting

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

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
CONTINUED

Internal Control Over Financial Reporting, Continued

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

A deficiency in internal control over financial reporting 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 over financial reporting such that there is a reasonable possibility that a material misstatement of JMSCS'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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JMSCS's financial statements are free of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Finding and Response as item 2017-001.

Purpose of this Report

The purpose of this 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 JMSCS's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JMSCS's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 22, 2017

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: <ul style="list-style-type: none">• Material weakness(es) identified?• Significant deficiency (ies) identified?	None Reported None
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs: <ul style="list-style-type: none">• Material weakness(es) identified?• Significant deficiency (ies) identified?	N/A N/A
Type of auditors' report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with the requirements of <i>the Uniform Guidance</i> ?	N/A

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Program:	N/A
Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

N/A - Not Applicable

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

Section II - Financial Statement Finding and Response

Reference Number

2017-001

Criteria

Pursuant to 34 CFR sections 200.55, 200.56 and 300.18 and subpart 2 of Part A of Title I, the requirements of highly qualified applies to all public elementary and secondary school teachers assigned to core academic subjects.

Condition

In one (1) instance of a total of twenty (20) classroom teachers tested, we noted that a teacher did not meet the requirements of highly qualified for their assigned core academic subjects.

Context

Total expenses for the year ended June 30, 2017 were \$4,942,701.

Effect of Potential Effect

Noncompliance with the highly qualified eligibility requirements regarding core subject areas.

Cause

Lack of an effective monitoring system in place to ensure compliance with the requirements of 34 CFR et al.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

Section II - Financial Statement Finding and Response, Continued

Reference Number, Continued

2017-001

Recommendation

We recommend that management establish a review process to ensure compliance with the requirements dictated by 34 CFR et al in the placement of teachers in core academic subject classrooms.

Management's Response and Planned Corrective Action

Management will increase recruitment efforts to ensure future compliance with 34 CFR sections 200.55, 200.56 and 300.18 and subpart 2 of Part A of Title 1. With the increasing number of charter school operations in the area as well as the shortage of mathematics and science teachers across the state, the demand for highly qualified teachers in these core areas is difficult to obtain. JMSCS will start recruiting efforts earlier and will also participate in teacher job fairs across the city to find qualified candidates.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended June 30, 2017.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017**

Section IV - Status of Prior Year's Findings and Questioned Costs

No prior year findings and questioned costs were reported for the year ended June 30, 2017.

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

EXIT CONFERENCE

JUNE 30, 2017

The financial statements and all related reports were discussed at a meeting with management of **James M. Singleton Charter School** noting their agreement in all material respects.

Those that participated in the discussion are as follows:

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

Mr. Gregory Phillips	-- Chief Executive Officer
Mrs. Catrina Reed	-- Chief Financial Officer

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA, MBA, CGFM, CGMA	-- Partner
Mr. Clyde Hunter, CPA	-- Staff Accountant



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Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

To the Board of Directors
James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association

In planning and performing our audit of the financial statements of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** as of and for the year ended June 30, 2017, we considered JMSCS's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of JMSCS's internal control. Accordingly, we do not express an opinion on the effectiveness of JMSCS's internal control.

However, during our audit, we became aware of other matters that provide an opportunity for JMSCS to strengthen its internal control and operating efficiency. Also, we reviewed the status of prior year's other matters noting their respective current status. We previously reported on JMSCS's internal control in our report dated December 22, 2017. This letter does not affect our report dated December 22, 2017, on the financial statements of JMSCS.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2017***

Reference Number

OM 2017-001

Criteria

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

Condition

Our review of JMSCS's internal control processes over revenues and expense cycles for the test month of November 2016 (month judgementally selected for testing) revealed the following conditions:

- In two (2) instances of five (5) deposits tested, funds collected were not deposited within three (3) days upon receipt pursuant to board policy.
- There were two (2) disbursement transactions totaling \$1,041, which were outstanding for more than one hundred and twenty (120) days.
- In one (1) of twenty-five (25) cash disbursements, the related supporting documents did not agree to the invoice and paid amount.

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2017***

Reference Number, Continued

OM 2017-001

Recommendation

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are recorded in the general ledger system on a timely basis. Periodic analysis should be performed timely with all resulting adjustments, if any, posted immediately.

Management's Response and Planned Corrective Action

Management implemented additional procedures to prevent such occurrences in 2017 however, this process was not in place in 2016 for the selected test month. Management has hired additional staff in the finance department to prevent this from occurring in the future. In the instance of the stale dated items, the items were previously voided from the system but when the banking institution honored the staled dated items management had to place this items back into active status to reconcile the bank statement.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2017***

Reference Number

OM 2017-002

Criteria

Management is responsible for the management of **JMSCS's** financial resources to minimize the potential for operating losses.

Condition

For the years ended June 30, 2017, 2016, and June 30, 2015, **JMSCS** incurred operating losses of \$550,509, \$4,929, and \$168,256 respectively due primarily to the continued decline in the level of funding from the State of Louisiana.

Cause

The continued decline in the level of student enrollment.

Effect or Potential Effect

Potential negative impact on cash flow needs for operating expenses.

Recommendation

Management should continue to explore other sources of revenues and contain costs associated with the management of the operations of **JMSCS**.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2017***

Reference Number, Continued

OM 2017-002

Management's Response and Planned Corrective Action

Management will seek additional funding streams in order to prevent any future deficits. Management along with the guidance of the Board and Finance committee will continue to monitor all spending monthly and make any necessary budgetary adjustments in an effort to decrease or eliminate any future deficits.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***CURRENT YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2017***

Reference Number

OM 2017-003

Criteria

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

Condition

The current purchase order numbering system does not provide for ease in accounting for completeness in all purchase orders executed.

Cause

Completeness in established purchase requisition order process.

Effect or Potential Effect

Potential for error and/or fraud within the current system.

Recommendation

Management should revisit with current purchase order system with an aim to facilitate its complete accounting for all executed purchase order.

Management's Response and Planned Corrective Action

Management will implement additional procedures to the existing purchase order process to ensure additional security measures are in place to prevent any potential errors or fraud that could occur. Management will review the current accounting software to ensure that the system has the capability of providing the level of accuracy needed to prevent errors or fraud before being approved by the CEO.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2016***

Reference Number

OM 2016-001

Criteria

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

Condition

Our review of JMSCS's internal control processes over revenue and expense cycles for the test month of October 2015 (month judgementally selected for testing) revealed the following conditions:

- In two (2) instances of eight (8) deposits tested, funds collected were not deposited within three (3) days upon receipt.
- Two (2) of five (5) employee payroll transactions tested revealed instances where the employees were paid more than their executed contract salary amounts on file without the benefit of amended contracts.
- There were two (2) disbursement transactions totaling \$593.50, which were outstanding for more than one hundred and twenty (120) days.
- The general ledger for the Charter School program included an out of balance amount of \$1,085 at June 30, 2016 before the impact of an audit adjustment.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2016***

Reference Number, Continued
OM 2016-001

Cause

The level of oversight afforded to staff.

Effect or Potential Effect

Noncompliance with established board policy.

Recommendation

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are recorded in the general ledger system on a timely basis. Periodic analysis should be performed timely with all resulting adjustments, if any, posted immediately.

Current Status

Unresolved. See current year's other matters report reference number OM 2017-001.

Management implemented additional procedures to prevent such occurrences in 2017 however, this process was not in place in 2016 for the selected test month. Management has hired additional staff in the finance department to prevent this from occurring in the future.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2016***

Reference Number

OM 2016-002

Criteria

Management is responsible for the management of JMSCS's financial resources to minimize the potential for operating losses.

Condition

For the years ended June 30, 2016, June 30, 2015 and June 30, 2014, JMSCS incurred operating losses of \$4,929, \$168,256 and \$6,408 due primarily to the continued decline in the level of funding from the State.

This condition is similar to a prior year's other matter reference number OM 2015-001.

Cause

The continued decline in the level of student enrollment.

Effect or Potential Effect

Potential negative impact on cash flow needs for operating expenses.

Recommendation

Management should continue to explore other sources of revenues and contain costs associated with the management of the operations of JMSCS.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2016***

Reference Number, Continued
OM 2016-002

Current Status

Unresolved. See current year's other matters report reference number OM 2017-002.

Management will seek additional funding streams in order to prevent any future deficits. Management along with the guidance of the Board Finance committee will continue to monitor all spending monthly and make any necessary budgetary adjustments in an effort to decrease or eliminate any future deficits.

Reference Number
OM 2016-003

Criteria

Management of JMSCS is responsible for the establishment of effective and efficient processes and procedures for all financial transactions or economic events to ensure the complete and accurate preparation of its financial statements pursuant to board policy.

Condition

JMSCS'S operating bank account at June 30, 2016, continues to list as outstanding, a check in the amount of \$148.75. Based on discussion with management it is our understanding that the check has been previously voided.

Cause

The level of oversight afforded to staff.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

***PRIOR YEARS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2016***

Reference Number, Continued
OM 2016-003

Effect or Potential Effect

Noncompliance with established board policy.

Recommendation

Management should revisit with the referenced transaction and make the necessary correction to address the condition.

Current Status

Resolved.

Management continues to have conversations with the accounting software company to resolve this issue. The item has been voided from the system but continues to be displayed as an outstanding item.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

JMSCS's response to the current and status of prior year's other matters reported are described in this report under the caption "Management's Response and Planned Corrective Action" or "Current Status". We did not audit JMSCS's response and accordingly, we express no opinion on it.

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 22, 2017

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING
AGREED-UPON PROCEDURES
ON PERFORMANCE AND STATISTICAL DATA**

FOR THE YEAR ENDED JUNE 30, 2017

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

To the Board of Directors
**James M. Singleton Charter School,
Sponsor Organization
Dryades Young Men's Christian Association
New Orleans, Louisiana**

We have performed the procedures enumerated below as required by State of Louisiana R.S. 24:514 and listed in the Louisiana Governmental Audit Guide.

The procedures were agreed to by management of **James M. Singleton Charter School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** and the Legislative Auditor for the State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data 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. **JMSCS's** management is responsible for the completeness of the performance and statistical data.

This agreed-upon engagement was performed in accordance with 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 the report.

Consequently, we make no representation regarding the sufficiency of the following procedures described either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

The procedures performed, our findings and management's response as applicable, related to the accompanying schedules (Schedules 1 through 9) are summarized as follows:

**General Fund Instructional and Support Expenditures
(SCHEDULE 1)**

1. Procedure

We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures are classified correctly and reported in the proper amounts for each of the following amounts reported on the Schedule:

- o Total General Fund Instructional Expenditures; and
- o Total General Fund Equipment Expenditures.

Finding

The results of the procedures performed on the selected instructional and support expenses revealed that the twenty-five sampled transactions were correctly classified and reported.

Education Levels of Public School Staff (SCHEDULE 2)

2. Procedure

We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this Schedule and to JMSCS's supporting payroll records as of October 1, 2016.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

Education Levels of Public School Staff (SCHEDULE 2), Continued

Finding

We noted agreement between the number by classification as full-time classroom teachers per Schedule 2 and JMSCS's records as of October 1, 2016.

3. Procedure

We reconciled the combined total of principals per the schedule "Experience of Public Principals, and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total of principals per this schedule.

Finding

We noted agreement between schedules 2 and 4 based on our review of the combined total of principals per the referenced schedules.

4. Procedure

We obtained a list of full-time teachers, and principals, by classification as of October 1, 2016 and as reported on the Schedule. We traced a random sample of 20 teachers (maximum number of hired teachers) to their individual personnel file and determined if the individual's education level was properly classified on the Schedule.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

Education Levels of Public School Staff (SCHEDULE 2), Continued

Finding

For the sampled full-time teachers and principal, we noted in one (1) instance where the years of experience reported in the Profile of Educational Personnel (PEP) as of October 1, 2016 was incorrectly reported based on information in the teacher's personnel file.

Furthermore, we noted in two (2) instances where one (1) teacher listed in the PEP report terminated on September 30, 2016. The second teacher's status was that of an independent contractor with a reported compensation in the PEP report less than the contracted and paid amount. See Schedule 5 for additional discussion..

Management's Response

Management will implement additional steps to review all salary information reported on the PEP report for errors prior to the October 1 submission deadline. The data manager will submit a preliminary PEP report to human resource at least two weeks prior in order for all salaries to be verified and any corrections made. Further, based on discussion with the Department of Education, the data manager has been advise on the personnel information necessary for incorporation in the PEP report.

Number and Type of Public Schools (SCHEDULE 3)

5. **Procedure**

We obtained a list of schools by type as reported on the "Number and Type of Public Schools" (SCHEDULE 3) and compared to schools and grade levels reported.

Finding

JMSCS operates a charter school with grade levels from Pre-K through 8th.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

*Experience of Public Principals, and Full-time
Classroom Teachers (SCHEDULE 4)*

6. Procedure

We obtained a list of full-time teachers, and principals, by classification as of October 1, 2016 and as reported on the schedule and traced the same sample used in procedure 4 to individual personnel file and determined if the individual's experience was properly classified on the schedule.

Finding

For one (1) of the twenty (20) teachers listed on Schedule 4, the years of experience was incorrectly listed on Schedule 4 in comparison to the information in the teacher's personnel file. Also, see procedure 4 for additional discussion.

Management's Response

Management will revisit the current process in which the years of experience are verified by school administration. Management will implement additional procedures that will include the verification information being submitted and verified prior to the start date of employment. The verification information will be submitted directly to human resource for verification instead of the school office. This information will then be doubled checked with the data manager prior to the October 1, submission deadline.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

Public School Staff Data Average Salaries (SCHEDULE 5)

7. Procedure

We obtained a list of all classroom teachers including their base salary, extra compensation for the year ended June 30, 2017, and ROTC and rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 20 teachers (maximum number of hired teachers) to their individual personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Finding

We noted in one (1) of the twenty (20) teachers tested that individual salary, extra compensation, and full-time equivalent included on the schedule was not in agreement with the PEP and executed contract salary amount. See procedure 4 for additional discussion.

Furthermore, we noted other individuals listed in the PEP report who based on our understanding were independent contractors.

Management's Response

Management will implement additional steps to review all salary information reported on the PEP report for errors prior to the October 1 submission deadline. The data manager will submit a preliminary PEP report to human resource at least two weeks prior in order for all salaries to be verified and any corrections made. Further, based on discussion with the Department of Education, the data manager has been advise on the personnel information necessary for incorporation in the PEP report.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

Public School Staff Data Average Salaries (SCHEDULE 5), Continued

8. Procedure

We recalculated the average salaries and full-time equivalents reported in the schedule.

Finding

We noted agreement based on our recalculation of the average salaries and full-time equivalent reported.

Class Size Characteristics (SCHEDULE 6)

9. Procedure

We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled to school type as reported on SCHEDULE 3. We then traced a random sample of 10 classes to the October 1, 2016 roll books for those classes and determined if the classes were properly classified on the schedule.

Finding

In four (4) of ten (10) rollbooks examined, we noted variances between the number of students in attendance on October 1, 2016 to the number reported on the Lead Class Summary report.

Management's Response

Management will have school administration implement additional procedures to ensure that all roll books are in compliance with state class schedules. School administration will be held accountable for implementing procedures to review class roll books quarterly and the data manager will be response for making the necessary changes in the state system to ensure all information is accurate.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

Louisiana Educational Assessment Program (LEAP) (SCHEDULE 7)

10. Procedure

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

Finding

We noted agreement of reported scores.

Graduation Exit Examination (GEE) (SCHEDULE 8)

11. Procedure

We did not obtain test scores as provided by the testing authority and did not reconcile scores as reported by the testing authority to scores reported in the schedule by JMSCS.

Finding

This procedure was not applicable because JMSCS operates only one charter school, which includes grade levels Pre-K through 8th.

LEAP (SCHEDULE 9)

12. Procedure

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

Finding

Noted no variance in test scores as reported in SCHEDULE 9.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

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

JMSCS's response to the findings in our agreed-upon procedures is described in this report under the caption "Management's Response". We did not perform any procedures on JMSCS's response and, accordingly, we express no opinion on it.

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 22, 2017

Schedule 1

James M. Singleton Charter School
 General Fund Instructional and Support Expenditures

For the Year Ended June 30, 2017

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	701,880	
Other Instructional Staff Activities		523,253	
Employee Benefits		333,937	
Purchased Professional and Technical Service		320,489	
Instructional Materials and Supplies		51,014	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities	\$		1,930,573

Other Instructional Activities	1,469,847	1,469,847
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Pupil Support Activities

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		-

Instructional Staff Services

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		-

School Administration

Less: Equipment for School Administration	-	
Net School Administration		-

Total General Fund Instructional Expenditures	\$	3,400,420
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Total General Fund Equipment Expenditures	\$	-
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See accompanying independent accountants' report on applying agreed-upon procedures.

**Education Levels of Public School Staff
As of October 1, 2016**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%				
Bachelor's Degree	14	74%	0	0%				
Master's Degree	4	21%	1	100%				
Master's Degree +30	1	5%	0		1	100%		
Specialist in Education								
Ph.D. or Ed.D.								
Total	19	100%	1	100%	1	100%	0	0%

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

**Schedule 3 : Number and Type of Public Schools
For Year Ended June 30, 2017**

Type	Number
Elementary:	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

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

**Schedule 4: Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2016**

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ yrs.	Total
Assistant Principals								0
Principals							1	1
Classroom Teachers	1	1	8	2	0	2	5	19
Total	1	1	8	2	0	2	6	20

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

**Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Excluding Extra Compensation	50,533.00	51,034.00
Average Classroom Teachers' Salary Including Extra Compensation	50,533.00	51,034.00
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries	19	14

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

**Class Size Characteristics
As of October 1, 2016**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	32%	26	61%	50	7%	6		
Elementary Activity Classes	28%	11	67%	27	5%	2		
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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

James M. Singleton Charter School

Schedule 7: Louisiana Educational Assessment Program (LEAP) - ELA & Math

For the years ended June 30, 2017, 2016, and 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%
Mastery	20.0%	14.0%	2.0%	13.0%	20.0%	7.0%
Basic	29.0%	16.0%	20.0%	27.0%	8.0%	29.0%
Approaching Basic	36.0%	32.0%	31.0%	33.0%	28.0%	37.0%
Unsatisfactory	15.0%	38.0%	47.0%	25.0%	44.0%	27.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	2.0%	0.0%	0.0%	0.0%	2.0%	2.0%
Mastery	14.0%	12.0%	16.0%	33.0%	15.0%	18.0%
Basic	47.0%	41.0%	22.0%	30.0%	12.0%	41.0%
Approaching Basic	23.0%	37.0%	49.0%	33.0%	59.0%	35.0%
Unsatisfactory	14.0%	10.0%	13.0%	4.0%	12.0%	4.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	0.0%	2.0%	0.0%	0.0%	2.0%	0.0%
Mastery	4.0%	13.0%	10.0%	26.0%	11.0%	8.0%
Basic	59.0%	37.0%	20.0%	59.0%	39.0%	18.0%
Approaching Basic	33.0%	41.0%	43.0%	11.0%	35.0%	47.0%
Unsatisfactory	4.0%	7.0%	27.0%	4.0%	13.0%	27.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	3.0%	0.0%	0.0%	3.0%	0.0%	0.0%
Mastery	33.0%	12.0%	10.0%	48.0%	7.0%	10.0%
Basic	50.0%	31.0%	41.0%	33.0%	24.0%	38.0%
Approaching Basic	14.0%	40.0%	40.0%	10.0%	43.0%	40.0%
Unsatisfactory	0.0%	17.0%	9.0%	6.0%	26.0%	12.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

James M. Singleton Charter School

Schedule 7: Louisiana Educational Assessment Program (LEAP) - ELA & Math

For the years ended June 30, 2017, 2016, and 2015

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	0.0%	4.0%	0.0%	0.0%	2.0%	0.0%
Mastery	24.0%	25.0%	11.0%	14.0%	16.0%	9.0%
Basic	62.0%	41.0%	36.0%	79.0%	53.0%	32.0%
Approaching Basic	14.0%	27.0%	32.0%	7.0%	20.0%	45.0%
Unsatisfactory	0.0%	3.0%	21.0%	0.0%	9.0%	14.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mastery	56.0%	36.0%	30.0%	67.0%	67.0%	5.0%
Basic	31.0%	46.0%	32.0%	16.0%	18.0%	16.0%
Approaching Basic	13.0%	18.0%	27.0%	11.0%	10.0%	49.0%
Unsatisfactory	0.0%	0.0%	11.0%	6.0%	5.0%	30.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See accompanying independent accountants report on applying agreed-upon procedures

**James M. Singleton Charter School
The Graduate Exit Exam for the 21st Century
For the Years Ended June 30, 2017, 2016, and 2015**

N/A: GEE is no longer administered

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

Schedule 9- LEAP Tests- Science & Social Studies
 James M. Singleton Charter School
 For the years ended June 30, 2017, 2016, and 2015

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 3	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0.0%	0.0%	0.0%	2	n/a	0.0%
Mastery	7.0%	20.0%	4.0%	4	n/a	2.3%
Basic	42.0%	26.0%	25.0%	7	n/a	27.3%
Approaching Basic	33.0%	34.0%	32.0%	54	n/a	27.3%
Unsatisfactory	18.0%	20.0%	39.0%	33	n/a	43.1%
Total	100.0%	100.0%	100.0%	100%	n/a	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 4	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0.0%	2.0%	3.6%	0.0%	n/a	1.8%
Mastery	19.0%	12.0%	1.8%	23.0%	n/a	3.6%
Basic	36.0%	34.0%	39.3%	26.0%	n/a	39.3%
Approaching Basic	29.0%	37.0%	33.9%	37.0%	n/a	32.1%
Unsatisfactory	16.0%	15.0%	21.4%	14.0%	n/a	23.2%
Total	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 5	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0.0%	0.0%	2.0%	0.0%	n/a	2.0%
Mastery	7.0%	2.0%	2.0%	11.0%	n/a	0.0%
Basic	26.0%	33.0%	12.3%	23.0%	n/a	20.0%
Approaching Basic	48.0%	39.0%	49.0%	22.0%	n/a	41.0%
Unsatisfactory	19.0%	26.0%	34.7%	34.0%	n/a	37.0%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 6	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0.0%	0.0%	0.0%	2.0%	n/a	0.0%
Mastery	2.0%	0.0%	0.0%	0.0%	n/a	1.8%
Basic	27.0%	33.0%	29.8%	27.0%	n/a	12.3%
Approaching Basic	46.0%	31.0%	45.6%	24.0%	n/a	52.6%
Unsatisfactory	25.0%	36.0%	24.6%	47.0%	n/a	33.3%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

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

Schedule 9- LEAP Tests- Science & Social Studies
 James M. Singleton Charter School
 For the years ended June 30, 2017, 2016, and 2015

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 7	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0.0%	0.0%	0.0%	0.0%	n/a	0.0%
Mastery	4.0%	4.0%	2.3%	32.0%	n/a	0.0%
Basic	54.0%	65.0%	20.5%	32.0%	n/a	29.5%
Approaching Basic	36.0%	18.0%	45.5%	21.0%	n/a	47.8%
Unsatisfactory	6.0%	13.0%	31.7%	15.0%	n/a	22.7%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students						
Grade 8						
Advanced	0.0%	0.0%	0.0%	2.0%	n/a	0.0%
Mastery	2.0%	0.0%	0.0%	58.0%	n/a	9.1%
Basic	54.0%	44.0%	31.8%	22.0%	n/a	54.5%
Approaching Basic	41.0%	51.0%	36.4%	13.0%	n/a	22.7%
Unsatisfactory	3.0%	5.0%	31.8%	5.0%	n/a	13.7%
Total	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%

See accompanying independent accountants' report on applying agreed-upon procedures

**JAMES M. SINGLETON CHARTER SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

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

FOR THE YEAR ENDED JUNE 30, 2017



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

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

To the Board of Directors
James M. Singleton School, Sponsor Organization
Dryades Young Men's Christian Association

We have performed the procedures enumerated below, which were agreed to by **James M. Singleton School (JMSCS), Sponsor Organization Dryades Young Men's Christian Association** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2016 through June 30, 2017. **JMSCS's** management is responsible for those compliance and control areas identified in the SAUP.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

The procedures and related findings to the SAUP are as follows:

Written Policies and Procedure

1. Procedure

We obtained JMSCS's written policies and procedures to determine whether the policies and procedures address each of the following financial/business functions, as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Finding

JMSCS's written policies and procedures regarding budgeting do not specifically address budget monitoring. It is our understanding through discussion with management, that the Finance Committee and the Board of Directors review prepared financial statements to include variance between revenues and expenses by program. Furthermore, the Finance Committee reviews budget to actual variance reports during its scheduled monthly meeting.

- 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.

Finding

JMSCS's purchasing policies and procedures do not specifically address how purchases are initiated, how vendors are added to the vendor list, and the preparation and approval process of purchase requisitions and purchase orders. It is our understanding that JMSCS's current practice requires purchases to be initiated at the department level through various steps to a final step which requires the CEO's approval. Also, new vendors are added to JMSCS's vendor list upon approval to perform and/or provide services by the CEO.

- c) Disbursements, including processing, reviewing, and approving.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Written Policies and Procedures, Continued

Finding

JMSCS's disbursement policies and procedures do not specifically address reviewing and approving disbursements. JMSCS's current practice requires review and approval by the CEO and a board member.

- d) Receipts, including receiving, recording, and preparing deposits.

Finding

No exceptions noted.

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

Finding

JMSCS's payroll/personnel policies and procedures do not specifically address reviewing and approving leave and overtime worked. The current practice of JMSCS is for all employee timesheets to include sick and vacation time to be approved at a supervisory level prior to payroll processing.

- 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.

Finding

JMSCS's contracting policies and procedures do not specifically address the types of services requiring written contracts. It is our understanding that JMSCS's current practice requires that all ongoing services such as transportation, security etc. require annual contracts. Other services are procured through use of the purchase order system.

- g) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Written Policies and Procedures, Continued

Finding

JMSCS currently does not have a credit card issued in its name. The credit card for its sponsor organization (Dryades Young Men's Christian Association) is used on occasion to transact business on its behalf.

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

Finding

No exceptions noted.

- 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. Note: Ethics requirements are not applicable to nonprofits.

Finding

Not applicable to JMSCS.

- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Finding

Not applicable to JMSCS.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Board or Finance Committee

2. Procedure

We obtained and reviewed the Board/Finance Committee minutes for the fiscal period to determine whether:

- a) the Board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, or other equivalent document.

Finding

JMSCS's Finance Committee and the Board of Directors meet regularly to the extent there is a quorum.

- b) the Board minutes referenced or included monthly budget-to-actual comparisons on **JMSCS's** funds, and if the budget-to-actual comparisons showed that management was deficit spending during the fiscal period, there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Finding

JMSCS does not have a general or special fund, but presents monthly consolidated financial statements to the Finance Committee and the Board for review and discussion. Also, see item 1a for additional discussion.

- c) The minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Finding

JMSCS's minutes included non-budgetary financial information for one meeting during the fiscal period.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Bank Reconciliations

3. Procedure

We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Finding

No exceptions noted.

4. Procedure

From the listing provided by management, we selected all four of **JMSCS's** bank accounts and obtained bank statements and reconciliations for all months in the fiscal period to determine whether:

- a) Bank reconciliations have been prepared;

Finding

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.

Finding

No exceptions noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Cash Collections

5. Procedure

We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Finding

No exceptions noted.

6. Procedure

From the listing provided by management, we selected all of JMSCS's cash collection locations and:

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) to determine whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Finding

We noted that all employees are covered by JMSCS's crime policy. JMSCS does not have written policies documenting the segregation of duties for cash receipts. It is our understanding that cash is collected by the accountant/secretary, and deposited in the bank by the accounts payable clerk or CFO. The transactions are recorded by the staff accountant, and the bank accounts are reconciled by the senior accountant. JMSCS does not have cash registers, therefore this is not applicable.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) to determine whether JMSCS has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Cash Collections, Continued

Finding

Cash collections are reconciled monthly to the general ledger by the staff accountant, who has no cash collections responsibility.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - 1) Using **JMSCS's** collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement to determine whether the deposits were made within one day of collection.

Finding

We noted that ten (10) of the thirteen (13) funds collected were deposited four (4) days after receipt of funds. It is **JMSCS's** policy to make deposits within three (3) business days of receipt.

- 1) Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation.

Finding

No exceptions noted.

7. Procedure

We obtained existing written documentation (e.g. policy manual, written procedure) to determine whether **JMSCS** has a process specifically defined (identified as such by **JMSCS**) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Cash Collections, Continued

Finding

JMSCS's monthly financial reporting practice includes the reconciliation of its bank account and revenues (mostly State of Louisiana "MFP" funds) and related receivables. For its cost reimbursement programs the charged expenses are reconciled monthly to the recorded revenue.

Disbursements – General (excluding credit card purchases or payments)

8. Procedure

We obtained JMSCS's consolidated check register for the year ended June 30, 2017. We obtained management's representation that the consolidated check register population was complete.

Finding

No exceptions noted.

9. Procedure

Using the disbursement population from #8 above, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction to determine whether:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Disbursements – General (excluding credit card purchases or payments), Continued

Finding

We noted in one (1) of twenty-five (25) disbursements reviewed, an item not initiated with a purchase order or requisition.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Finding

We noted that each of the twenty-five(25) disbursements reviewed, were accompanied by a purchase order.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Finding

We noted that seven (7) of twenty-five (25) transactions processed were not accompanied by a receiving report. Although JMSCS does not use receiving reports, goods received are compared against the invoice to ensure all items billed were received. We also noted all transactions had an approved invoice.

10. Procedure

We reviewed JMSCS's documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the person responsible for processing payments is prohibited from adding vendors to JMSCS's purchasing/disbursement system.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Disbursements – General (excluding credit card purchases or payments), Continued

Finding

JMSCS's does not have a policy manual or written procedures which would allow us to determine whether the person responsible for processing payments is prohibited from adding vendors to JMSCS's purchasing/disbursement system. However, it is our understanding through discussion with the Chief Financial Officer, that payment processing is performed by the accounts payable clerk and vendors are added to the purchasing/disbursement system by the staff accountant. See item 1b for additional discussion.

Finding

No exceptions noted.

11. Procedure

We reviewed JMSCS's documentation (e.g. electronic system control documentation, policy manual, written procedure) to determine whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Finding

The CEO has signatory authority in conjunction with the finance chair, and neither has responsibility for initiating or recording purchases.

12. Procedure

We inquired of management and observed the supply of unused checks to determine whether unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Disbursements – General (excluding credit card purchases or payments), Continued

13. Procedure

We inquired of the individual with a signature stamp whether his or her signature is maintained under his or her control or is used only with his or her knowledge and consent. We also inquired whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Finding

JMSCS's does not use a signature stamp, all checks are manually signed.

Credit Cards

14. Procedure

We obtained from management a listing of all active credit cards, including the card numbers and the names of the persons who maintained possession of the cards and we obtained management's representation that the listing is complete.

Finding

JMSCS does not have its own credit card, but uses its sponsoring organization's credit card for purchases as necessary. See item 1g for additional discussion.

15. Procedure

Using the listing prepared by management, we selected the only card that was used during the fiscal period and obtained the monthly statements. We selected the monthly statement with the largest dollar activity for the card to determine whether:

- a) there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Credit Cards, Continued

Finding

No exceptions noted.

- b) finance charges and/or late fees were assessed on the selected statements.

Finding

No finance charges or late fees were assessed on any of the credit card statements reviewed.

16. Procedure

Using the monthly statements selected under #15 above, we obtained supporting documentation for all transactions for the selected card.

- a) We reviewed each transaction to determine whether the transaction is supported by:
 - 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Finding

Our review revealed the maintenance of original receipts with the sponsor organization's payment package.

- 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Finding

The requisition and purchase order, where applicable, to include the invoice and request for payment listed the documented business purpose.

- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Credit Cards, Continued

Finding

No exceptions noted.

- b) For each transaction, we reviewed the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) for compliance with JMSCS's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes).

Finding

No exceptions noted. Furthermore, JMSCS is not subject to the Louisiana Public Bid Law.

- c) For each transaction, we compared JMSCS's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Finding

No exceptions noted.

Travel and Expense Reimbursement

17. Procedure

We obtained the consolidated check register for the year ended June 30, 2017 and filtered for travel reimbursements. We obtained management's representation that the consolidated check register population is complete.

Finding

No exceptions noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Travel and Expense Reimbursement, Continued

18. Procedure

We obtained JMCS's written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) to determine whether there are any amounts that exceed GSA rates.

Finding

JMCS uses the per diem and mileage rates established by the State of Louisiana. Based on the sample reviewed, none of the per diem amounts paid exceeded GSA rates.

19. Procedure

Using the transactions from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies to determine whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Travel and Expense Reimbursement, Continued

Finding

No exceptions noted.

b) We determined whether each expense is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

Finding

One (1) of three (3) reimbursements was not supported by an original itemized receipt.

2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Finding

No exceptions were noted.

3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Finding

One (1) reimbursement for travel did not include the "Request for Disbursement" form as required by JMSCS's policies and procedures.

c) We compared JMSCS's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Travel and Expense Reimbursement, Continued

Procedure, Continued

- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding

No exceptions noted.

Contracts

20. Procedure

We obtained a listing of all contracts in effect during the fiscal period and obtained the consolidated check register for the year ended June 30, 2017 and filtered for contract payments. We obtained management's representation that the consolidated check register population is complete.

Finding

No exceptions noted.

21. Procedure

Using the listing above, we selected five (5) contract vendors that were paid the most money during the fiscal period, including the transportation contract and excluding purchases on state contract and payments to the practitioner. We obtained the related contracts and paid invoices and:

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Contracts, Continued

Finding

No exceptions noted.

b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code to determine whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- 1) If yes, we obtained and compared supporting contract documentation to legal requirements to determine whether **JMSCS** complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Finding

No exceptions noted as the executed contracts were not subject to the Louisiana Public Bid Law or Procurement Code.

- 2) If no, we obtained supporting contract documentation to determine whether **JMSCS** solicited quotes as a best practice.

Finding

None of the reviewed contracts were subject to Louisiana Public Law or Procurement Code. We also noted in two (2) of five (5) instances where executed contracts had no documented evidence of solicited quotes as a best practice.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Contracts, Continued

- c) We determined whether the contract was amended, and if so, we determined whether the original contract terms contemplated or provided for such an amendment.

Finding

None of the contracts reviewed had any contract amendments.

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, and compared the invoice to the contract terms, to determine whether the invoice and related payment complied with the terms and conditions of the contract.

Finding

For the largest payment contract reviewed, we noted a payment amount of \$11,018.58 which was \$92.42 greater than the invoice amount of \$10,926.16.

- e) We obtained and reviewed contract documentation and board minutes to determine whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Finding

JMSCS's policies and procedures state that contracts greater than \$25,000 will be approved by the Board. We noted in three (3) instances, where selected contracts lacked evidence of Board approval.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Payroll and Personnel

22. Procedure

We obtained a listing of employees with their related salaries. We randomly select five (5) employees, obtained their personnel files, and:

- a) Reviewed compensation paid to each employee during the fiscal period to determine whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Finding

No exceptions noted.

- b) Reviewed changes made to hourly pay rates/salaries during the fiscal period to determine whether those changes were approved in writing and in accordance with written policy.

Finding

No exceptions noted.

23. Procedure

We obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee (January 26, 2017 to February 11, 2017). Within that pay period, we randomly selected 25 employees to determine whether:

- a) all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel, Continued

Finding

In two (2) of twenty-five (25) employees reviewed, we noted JMSCS's practice of not requiring time sheets from administrative salaried employees.

- b) there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

Finding

No exceptions noted.

- c) there is written documentation that JMSCS maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees that earn leave.

Finding

No exceptions noted.

24. Procedure

We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees. We reviewed the termination payments to determine whether they were made in strict accordance with policy and/or contract and approved by management.

Finding

No exceptions noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Payroll and Personnel, Continued

25. Procedure

We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period to determine whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Finding

Two (2) of the twenty-six (26) retirement remittances were not remitted to the plan within fifteen (15) business days immediately following the month in which the contribution was withheld or received by **JMSCS**.

Ethics

26. Procedure

Using the five (5) randomly selected employees from procedure #22 under "Payroll and Personnel" caption, we obtained ethics compliance documentation from management to determine whether **JMSCS** maintained documentation to demonstrate that required ethics training was completed. We also reviewed the employee files for the employees selected to determine whether there was a signed verification of having read the ethics policy included in the file.

Finding

No exceptions were noted.

27. Procedure

We inquired of management whether any alleged ethics violations were reported to **JMSCS** during the fiscal period and, if applicable, reviewed documentation demonstrating that management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with **JMSCS's** ethics policy.

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(CONTINUED)

Ethics, Continued

Finding

It is our understanding through discussion with management that no alleged ethics violations were reported to **JMSCS** during the fiscal period.

Debt Service

28. Procedure

If debt was issued during the fiscal period, we obtained supporting documentation from **JMSCS** to determine whether State Bond Commission approval was obtained.

Finding

This procedure is not applicable.

29. Procedure

If **JMSCS** had outstanding debt during the fiscal period, we obtained supporting documentation from **JMSCS** and report whether **JMSCS** made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Finding

This procedure is not applicable.

30. Procedure

If **JMSCS** had tax millages relating to debt service, we obtained supporting documentation to determine whether millage collections exceeded debt service payments by more than 10% during the fiscal period.

Finding

This procedure is not applicable.

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(CONTINUED)**

Other

31. Procedure

We inquired of management whether JMSCS had any misappropriations of public funds or assets. If so, we obtained and reviewed supporting documentation to determine whether JMSCS reported the misappropriation to the Louisiana Legislative Auditor and the District Attorney of Orleans Parish.

Finding

It is our understanding through discussion with management that no misappropriations of public funds or assets were reported during the period.

32. Procedure

We observed JMSCS's premises and website to determine whether JMSCS posted the notice required by R.S. 24:523.1.

Finding

No exceptions were noted.

33. Procedure

If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Finding

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
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(CONTINUED)**

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those compliance and control 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 compliance and control 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 Legislative Auditor as a public document.

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