

ALGIERS CHARTER SCHOOL ASSOCIATION
FINANCIAL STATEMENTS
For the Years Ending June 30, 2019 and 2018

ALGIERS CHARTER SCHOOL ASSOCIATION

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ALGIERS CHARTER SCHOOL ASSOCIATION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

December 19, 2019

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Algiers Charter School Association as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards, as required by the Uniform Guidance, financial position by school, activities by school, and functional expenses by school, and compensation, benefits and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana State Law included as Schedules 1 and 2, are not required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2019, on our consideration of Algiers Charter School Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Algiers Charter School Association's internal control over financial reporting and compliance.

Hienz & Macaluso, LLC

Metairie, LA

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 651,544	\$ 2,098,945
Investments	6,903,200	8,113,446
Intergovernmental receivables	1,635,521	2,078,919
Other receivables	403,740	39,361
Prepaid expenses	100,100	260,844
Due from pooled cash, net	-	-
Total Current Assets	<u>9,694,105</u>	<u>12,591,515</u>
Other Assets:		
Deposits	<u>94,191</u>	<u>94,191</u>
Total Other Assets	<u>94,191</u>	<u>94,191</u>
Noncurrent Assets:		
Property and equipment (net of accumulated depreciation)	<u>461,652</u>	<u>497,916</u>
Total Assets	<u>\$ 10,249,948</u>	<u>\$ 13,183,622</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,425,269	\$ 1,728,217
Due to other agencies	158,311	262,539
Deferred revenues	114,517	285,170
Due to pooled cash, net	-	-
Total Current Liabilities	<u>1,698,097</u>	<u>2,275,926</u>
Total Liabilities	<u>1,698,097</u>	<u>2,275,926</u>
Net Assets:		
Without donor restrictions	<u>8,551,851</u>	<u>10,907,696</u>
Total Net Assets	<u>8,551,851</u>	<u>10,907,696</u>
Total Liabilities and Net Assets	<u>\$ 10,249,948</u>	<u>\$ 13,183,622</u>

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Public Support and Other Revenues		
Minimum foundation program	\$ 21,004,674	\$ 30,945,335
Restricted grants in aid - Federal and State	6,762,658	8,613,931
Miscellaneous revenue	1,370,673	387,016
Donations - unrestricted	149,600	27,985
Unrestricted grants in aid - State	184,084	20,489
Total Public Support and Other Revenues	29,471,689	39,994,756
Expenses		
Program services:		
Instructional	26,366,230	34,026,857
Supporting services:		
Management and general	5,461,304	6,736,566
Total Expenses	31,827,534	40,763,423
Increase/(Decrease) in Net Assets	(2,355,845)	(768,667)
Net assets at beginning of fiscal year	10,907,696	11,676,363
Net assets at end of fiscal year	\$ 8,551,851	\$ 10,907,696

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>Total Expenses</u>	<u>2018</u>
	<u>Instructional</u>	<u>Management and General</u>		
Expenses:				
Salaries and benefits	\$ 20,375,389	\$ 1,968,390	\$ 22,343,779	\$ 27,948,449
Professional services	722,721	861,771	1,584,492	1,814,655
Travel	132,233	6,739	138,972	162,732
Supplies	1,002,675	89,704	1,092,379	1,473,674
Utilities	25,164	533,737	558,901	763,550
Rent	524,591	194,032	718,623	293,566
Insurance	172,909	440,023	612,932	948,957
Communication	223,675	120,247	343,922	334,500
Repairs and maintenance	25,109	1,075,331	1,100,440	1,398,444
Transportation	1,322,508	-	1,322,508	2,666,691
Food service management	1,118,785	-	1,118,785	1,802,349
Depreciation Expense	345	35,916	36,261	50,221
Other	720,126	135,414	855,540	1,105,635
	<u>\$ 26,366,230</u>	<u>\$ 5,461,304</u>	<u>\$ 31,827,534</u>	<u>\$ 40,763,423</u>

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flows from Operating Activities:		
Increase/(decrease) in net assets	\$ (2,355,845)	\$ (768,667)
Adjustments to reconcile increase in net assets to net		
Cash provided/(used) by operating activities		
Depreciation	36,264	50,221
Loss on disposal of capital assets	-	3,360
(Increase)/decrease in assets:		
Accounts receivable	443,398	697,996
Other receivables	(364,379)	37,574
Prepaid expense	160,744	(95,757)
Deposits	-	4,381
Increase/(decrease) in liabilities:		
Accounts payable and other accrued expenses	(302,948)	(1,277,259)
Deferred revenues	(170,653)	285,170
Due to pooled cash, net	-	-
Due to other funds	(104,228)	(61,608)
Net cash provided/(used) by operating activities	(2,657,647)	(1,124,589)
Cash Flows from Investing Activities:		
Purchase of investments	(183,628)	(4,109,442)
Sale of investments	1,393,874	
Purchase of capital assets		(59,146)
Net cash provided/(used) by investing activities	1,210,246	(4,168,588)
Net increase/(decrease) in cash and cash equivalents	(1,447,401)	(5,293,177)
Cash and cash equivalents, Beginning of Year	2,098,945	7,392,122
Cash and cash equivalents, End of Year	\$ 651,544	\$ 2,098,945

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Algiers Charter School Association (“ACSA”) was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education (“BESE”) has granted ACSA Type 5 charters to operate the following schools:

- | | |
|--|----------------------|
| • Martin Behrman Academy of Creative Arts and Sciences | 7/1/2015 – 6/30/2022 |
| • Dwight D. Eisenhower Academy of Global Studies | 7/1/2015 – 6/30/2018 |
| • William J. Fischer Accelerated Academy | 7/1/2014 – 6/30/2019 |
| • McDonogh #32 Literacy Academy | 7/1/2014 – 6/30/2019 |
| • Lord Beaconsfield Landry-O. Perry Walker College
and Career Preparatory High School | 7/1/2014 – 6/30/2024 |

Basis of Accounting

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

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. Professional services, travel, supplies, utilities, insurance, communication, repairs and maintenance, and other have been allocated based on actual expenses.

Income Tax Status

ACSA is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and net assets with donor restrictions in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as net assets without donor restrictions. ACSA uses the direct write-off method of writing off uncollectible receivables. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash includes the amounts in demand deposits and interest-bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Basis of Presentation

The financial statements of ACSA have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) which require ACSA to report information regarding its financial position and activities according to the following net asset classifications:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ACSA.
- Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At June 30, 2019 there were no net assets with donor restrictions.

Property and Equipment

Property and equipment are capitalized at cost. It is ACSA’s policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture & Equipment	5 – 12 years
Building and Improvement	27 years

Property and equipment purchased with federal and state funds, are capitalized as an asset of ACSA. ACSA is required to transfer title to any asset purchased with federal and state funds if ACSA does not continue operations of the school related to those assets.

New Accounting Pronouncement

Effective July 1, 2018, ACSA adopted Accounting Standards Update (ASU) 2016- 14, Not-for-Profit Entities (Topic 958) — Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. ACSA's net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

ACSA had the following cash as of June 30, 2019 and June 30, 2019 :

	2019	2018
Demand Deposits	\$ 651,544	\$ 2,098,945
	\$ 651,544	\$ 2,098,945

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2019 and 2018, ACSA's demand deposit bank balances of \$981,290 and \$2,756,284 respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

ACSA invests in LAMP, which is administered by LAMP, Inc. a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. At June 30, 2019 and 2018, ACSA's investment in LAMP totaled \$6,903,200 and \$8,113,446, respectively. Interest income earned for the years ended June 30, 2019 and 2018 was \$183,628 and \$109,442, respectively.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2019 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
School Support Center	(8,139,612)	School Support Center	21,018
ATA school fund	-	ATA	-
ATA special revenue fund	-	ATA SR	-
Behrman	-	Behrman	2,196,189
Behrman SR	(41,030)	Behrman SR	549,673
Eisenhower	(97,732)	Eisenhower	-
Eisenhower SR	-	Eisenhower SR	1,061,915
Fischer	(192,965)	Fischer	-
Fischer SR	(170,859)	Fischer SR	441,273
McDonogh	(558,155)	McDonogh	-
McDonogh SR	(61,225)	McDonogh SR	400,870
Walker	-	Walker	3,989,211
Walker SR	(108,278)	Walker SR	709,707
Total	<u><u>\$ (9,369,856)</u></u>	Total	<u><u>\$ 9,369,856</u></u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

NOTE 4 – INTERFUND TRANSFERS

ACSA's transfers in (out) consist of interfund activity for the School Support Center allocation as discussed in Note 1 and indirect costs transfers and result from the normal course of ACSA's operations.

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
SSC allocation from schools	\$ 3,018,739	Behrman allocation to SSC	\$ (1,033,733)
Behrman	39,474	Fischer allocation to SSC	(464,286)
Fischer	49,178	McDonogh allocation to SSC	(129,560)
McDonogh	192,284	Walker allocation to SSC	(1,391,160)
Walker	58,708	Behrman	(39,474)
		Fischer	(49,178)
		McDonogh	(192,284)
		Walker	(58,708)
Total	<u><u>\$ 3,358,383</u></u>	Total	<u><u>\$ (3,358,383)</u></u>

SSC-School Support Center

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018 consists of the following:

	2019	2018
Furniture, fixtures, and equipment	\$ 3,508,225	\$ 3,508,225
Buildings & building improvements	525,776	525,776
Less: accumulated depreciation	<u>(3,572,349)</u>	<u>(3,536,085)</u>
Property and equipment, net	<u>\$ 461,652</u>	<u>\$ 497,916</u>

Depreciation expense for ACSA for the years ended June 30, 2019 and 2018 was \$36,264 and \$50,221, respectively. During the years ended June 30, 2019 and 2018, ACSA acquired \$- and \$59,146 of assets, respectively.

NOTE 6 – RETIREMENT PLANS

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

1. *Plan Description* – All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions required and made* – Covered employees and ACSA are required by State Statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	26.7%

ACSA's contributions for the years ended June 30, 2019 and 2018 were \$4,120,885 and \$5,323,707, respectively.

NOTE 7 – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

NOTE 8 – RISK MANAGEMENT

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE 9 – UNCERTAIN INCOME TAXES

On July 1, 2009, ACSA adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities. ACSA's 2015 through 2017 tax returns have been filed appropriately. As of December 19, 2019, the School has been approved for an extension to file their 2018 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2015 - 2017. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NOTE 10 – LEASES

ACSA leases its office space at 2401 Westbend Parkway, New Orleans, under the terms of an operating lease expiring July 31, 2020.

Total rent expense amounted to \$175,522 and \$155,301 for the years ended June 30, 2019 and June 30, 2018, respectively. The future minimum lease payments under the above lease are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2020	\$ 130,259
June 30, 2021	10,546
	\$ 140,805

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES

At June 30, 2019, ACSA has financial assets within one year of the statement of financial position date to meet cash needs for general expenditures consisting of the following:

Cash and cash equivalents	\$ 651,544
Investments	6,903,200
Intergovernmental receivables	1,635,521
Other receivables	<u>403,740</u>
	<u>\$ 9,594,005</u>

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

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 19, 2019, the date the financial statements were available to be issued.

NOTE 13 – DEFICIT IN NET ASSETS

At June 30, 2017, Algiers Technology Academy (ATA) had a deficit of \$972,234 in its General Fund due to under-enrollment and financial decisions of prior management. At the end of the 2016 fiscal year, ACSA hired a new management team that committed to ensure financial sustainability across the organization and as a result ACSA relinquished the charter for ATA effective June 30, 2017 based on guidance from the Recovery School District. The deficit at ATA was absorbed with the net assets of the School Support Center during the fiscal year ended June 30, 2018.

SUPPLEMENTAL INFORMATION

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUPPLEMENTAL INFORMATION
SCHEDULES OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2019 AND 2018(Totals Only)**

ASSETS	2019					
	School Funds					
	School Support Center	Behrman	Eisenhower	Fischer	McDonogh	Walker
Current Assets:						
Cash and cash equivalents	\$ 493,233	\$ 68,469	\$ -	\$ 4,949	\$ 1,513	\$ 83,380
Investments	6,903,200	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Other receivables	100,886	59,847	-	49,004	52,004	124,443
Prepaid expenses	96,735	3,365	-	-	-	-
Due from pooled cash	300	2,196,189	-	-	-	3,989,211
Total Current Assets	7,594,354	2,327,870	-	53,953	53,517	4,197,034
Other Assets:						
Deposits	11,237	16,492	14,661	4,861	13,887	33,053
Total Other Assets	11,237	16,492	14,661	4,861	13,887	33,053
Non-Current Assets:						
Property and equipment (net of accumulated depreciation)	-	-	38,043	4,417	-	290,839
Total Assets	\$ 7,605,591	\$ 2,344,362	\$ 52,704	\$ 63,231	\$ 67,404	\$ 4,520,926
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable and accrued expenses	\$ (636,844)	\$ 109,323	\$ 28,442	\$ (182,280)	\$ (170,746)	\$ 22,907
Due to other governments	-	-	-	-	-	-
Due to other agencies	-	68,469	-	4,949	1,513	83,380
Deferred revenues	60,347	-	-	-	100	24,070
Due to pooled cash	8,139,612	-	97,732	192,965	558,155	-
Total Current Liabilities	7,563,115	177,792	126,174	15,634	389,022	130,357
Total Liabilities	7,563,115	177,792	126,174	15,634	389,022	130,357
Net Assets:						
Unrestricted	42,476	2,166,570	(73,470)	47,597	(321,618)	4,390,569
Total Net Assets	42,476	2,166,570	(73,470)	47,597	(321,618)	4,390,569
Total Liabilities and Net Assets	\$ 7,605,591	\$ 2,344,362	\$ 52,704	\$ 63,231	\$ 67,404	\$ 4,520,926

See independent auditor's report.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUPPLEMENTAL INFORMATION
SCHEDULES OF FINANCIAL POSITION BY SCHOOL (Continued)
JUNE 30, 2019 AND 2018 (Totals Only)**

ASSETS	2019							2018	
	School Support Center	Special Revenue Funds					Interfund Eliminations	Total	Total
	Behrman	Eisenhower	Fischer	McDonogh	Walker				
Current Assets:									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,544	\$ 2,098,945
Investments	-	-	-	-	-	-	-	6,903,200	8,113,446
Intergovernmental receivables	-	608,366	3	298,474	268,795	459,883	-	1,635,521	2,078,919
Other receivables	-	(1)	(3,594)	3,595	-	17,556	-	403,740	39,361
Prepaid expenses	-	-	-	-	-	-	-	100,100	260,844
Due from pooled cash	20,718	549,673	1,061,915	441,273	400,870	709,707	(9,369,856)	-	-
Total Current Assets	20,718	1,158,038	1,058,324	743,342	669,665	1,187,146	(9,369,856)	\$ 9,694,105	12,591,515
Other Assets:									
Deposits	-	-	-	-	-	-	-	94,191	94,191
Total Other Assets	-	-	-	-	-	-	-	94,191	94,191
Non-Current Assets:									
Property and equipment (net of accumulated depreciation)	-	6,942	70,910	9,024	25,227	16,250	-	461,652	497,916
Total Assets	\$ 20,718	\$ 1,164,980	\$ 1,129,234	\$ 752,366	\$ 694,892	\$ 1,203,396	\$ (9,369,856)	\$ 10,249,948	\$ 13,183,622
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts payable and accrued expenses	\$ (4,751)	\$ 512,258	\$ 436,196	\$ 370,711	\$ 387,132	\$ 552,921	\$ -	\$ 1,425,269	\$ 1,728,217
Due to other agencies	-	-	-	-	-	-	-	158,311	262,539
Unearned revenues	-	30,000	-	-	-	-	-	114,517	285,170
Due to pooled cash	-	41,030	-	170,859	61,225	108,278	(9,369,856)	-	-
Total Current Liabilities	(4,751)	583,288	436,196	541,570	448,357	661,199	(9,369,856)	1,698,097	2,275,926
Total Liabilities	(4,751)	583,288	436,196	541,570	448,357	661,199	(9,369,856)	1,698,097	2,275,926
Net Assets:									
Unrestricted	25,469	581,692	693,038	210,796	246,535	542,197	-	8,551,851	10,907,696
Total Net Assets	25,469	581,692	693,038	210,796	246,535	542,197	-	8,551,851	10,907,696
Total Liabilities and Net Assets	\$ 20,718	\$ 1,164,980	\$ 1,129,234	\$ 752,366	\$ 694,892	\$ 1,203,396	\$ (9,369,856)	\$ 10,249,948	\$ 13,183,622

See independent auditor's report.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUPPLEMENTAL INFORMATION
SCHEDULES OF ACTIVITIES BY SCHOOL
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018 (Totals Only)**

	2019					
	School Funds					
	School Support Center	Behrman	Eisenhower	Fischer	McDonogh	Walker
UNRESTRICTED NET ASSETS						
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000
Restricted grants in aid - Federal and State	-	-	-	-	-	88,438
Donations	23,901	-	-	34,829	44,420	46,450
Minimum Foundation Program	-	6,076,410	-	1,792,363	2,398,046	10,706,948
Miscellaneous revenue	3,782,905	149,918	34,026	193,449	331,992	224,770
Total Public Support and Other Revenues	3,806,806	6,226,328	34,026	2,020,641	2,774,458	11,088,606
Expenses						
Program Services:						
Instructional	1,265,512	5,761,041	(9,482)	2,592,983	2,901,161	10,217,493
Supporting services:						
Management and general	2,378,398	717,749	829	520,579	488,462	1,372,166
Total Expenses	3,643,910	6,478,790	(8,653)	3,113,562	3,389,623	11,589,659
Increase/(Decrease) in unrestricted net assets	162,896	(252,462)	42,679	(1,092,921)	(615,165)	(501,053)
Net assets at beginning of fiscal year	(120,420)	2,419,032	(116,149)	1,140,518	293,547	4,891,622
Net assets at end of fiscal year	\$ 42,476	\$ 2,166,570	\$ (73,470)	\$ 47,597	\$ (321,618)	\$ 4,390,569

See independent auditor's report.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUPPLEMENTAL INFORMATION
SCHEDULES OF ACTIVITIES BY SCHOOL (Continued)
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018(Totals Only)**

	2019							2018	
	Special Revenue Funds						Interfund Eliminations	Total	Total
	School Support Center	Behrman	Eisenhower	Fischer	McDonogh	Walker			
UNRESTRICTED NET ASSETS									
Unrestricted grants in aid - State	\$ -	\$ 32,769	\$ 18,899	\$ 29,766	\$ 30,821	\$ 49,829	\$ -	\$ 184,084	\$ 20,489
Restricted grants in aid - Federal and State	-	2,244,741	-	910,187	1,045,128	2,474,164	-	6,762,658	8,613,931
Donations	-	-	-	-	-	-	-	149,600	27,985
Minimum Foundation Program	-	9,427	-	4,707	5,035	11,738	-	21,004,674	30,945,335
Miscellaneous revenue	-	-	-	-	11,996	-	(3,358,383)	1,370,673	387,016
									-
Total Public Support and Other Revenues	-	2,286,937	18,899	944,660	1,092,980	2,535,731	(3,358,383)	29,471,689	39,994,756
Expenses									
Program Services:									
Instructional	(85)	2,129,386	18,899	890,419	1,011,871	2,364,253	(2,777,221)	26,366,230	34,026,857
Supporting services:									
Management and general	-	93,754	-	110,613	226,290	133,626	(581,162)	5,461,304	6,736,566
Total Expenses	(85)	2,223,140	18,899	1,001,032	1,238,161	2,497,879	(3,358,383)	31,827,534	40,763,423
Increase/(Decrease) in									
unrestricted net assets	85	63,797	-	(56,372)	(145,181)	37,852	-	(2,355,845)	(768,667)
Net assets at beginning of fiscal year	25,384	517,895	693,038	267,168	391,716	504,345	-	10,907,696	11,676,363
Net assets at end of fiscal year	\$ 25,469	\$ 581,692	\$ 693,038	\$ 210,796	\$ 246,535	\$ 542,197	\$ -	\$ 8,551,851	\$ 10,907,696

See independent auditor's report.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUPPLEMENTAL INFORMATION
SCHEDULES OF FUNCTIONAL EXPENSES BY SCHOOL
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018(Totals Only)**

Expenses	2019								
	School Funds								
	School Support Center	Behrman	Eisenhower	Fischer	McDonogh	Walker			
Salaries and benefits	\$ 2,157,621	\$ 3,972,180	\$ -	\$ 1,906,799	\$ 2,474,921	\$ 7,217,986			
Professional services	276,829	1,154,670	(1,560)	669,556	324,084	1,832,915			
Travel	44,091	12,254	(97)	2,076	3,085	27,559			
Supplies	66,254	236,935	(7,045)	70,960	73,689	356,955			
Utilities	2,033	120,642	49	63,585	65,210	282,218			
Rent	661,637	7,842	-	6,176	7,524	35,444			
Insurance	176,806	133,387	-	42,187	51,660	198,916			
Communication	129,347	83,968	-	24,844	26,399	72,729			
Repairs and maintenance	501	275,286	-	164,222	145,004	430,675			
Transportation	11,646	293,815	-	100,836	136,010	647,100			
Food service management	-	14,680	-	4,705	9,849	19,160			
Depreciation Expense	452	-	-	294	-	24,720			
Other	116,693	173,131	-	57,322	72,188	443,282			
Total Expenses	\$ 3,643,910	\$ 6,478,790	\$ (8,653)	\$ 3,113,562	\$ 3,389,623	\$ 11,589,659			
	2019						2018		
Expenses	Special Revenue Funds								
	School Support Center	Behrman	Eisenhower	Fischer	McDonogh	Walker	Interfund Elimination	Total	Total
Salaries and benefits	\$ -	\$ 1,517,265	\$ -	\$ 707,867	\$ 804,729	\$ 1,584,411	\$ -	\$ 22,343,779	\$ 27,948,449
Professional services	-	158,491	-	41,188	69,803	77,255	(3,018,739)	1,584,492	1,814,655
Travel	(85)	19,122	-	3,811	5,036	22,120	-	138,972	162,732
Supplies	-	55,449	18,899	16,672	19,465	184,146	-	1,092,379	1,473,674
Utilities	-	5,240	-	4,753	4,554	10,617	-	558,901	763,550
Rent	-	-	-	-	-	-	-	718,623	293,566
Insurance	-	3,276	-	938	1,174	4,588	-	612,932	948,957
Communication	-	-	-	-	-	6,635	-	343,922	334,500
Repairs and maintenance	-	19,256	-	27,565	11,751	26,178	-	1,100,440	1,398,444
Transportation	-	36,416	-	20,515	3,810	72,360	-	1,322,508	2,666,691
Food service management	-	367,246	-	126,287	132,432	444,426	-	1,118,785	1,802,349
Depreciation Expense	-	1,903	-	2,258	5,119	1,515	-	36,261	50,221
Other	-	39,474	-	49,178	180,288	63,628	(339,644)	855,540	1,105,635
Total Expenses	\$ (85)	\$ 2,223,140	\$ 18,899	\$ 1,001,032	\$ 1,238,161	\$ 2,497,879	(3,358,383)	\$ 31,827,534	\$ 40,763,423

See independent auditor's report.

**ALGIERS CHARTER SCHOOL ASSOCIATION
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
 FOR THE YEAR ENDED JUNE 30, 2019**

Agency Head:	Rene Lewis-Carter	Stuart Gay	Tale' Lockett
<u>Purpose</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Salary	\$ 7,292	\$ 145,000	\$ 9,135
Vacation/PTO payout	20,191	-	-
Benefits - insurance	464	6,072	-
Benefits - retirement	1,947	38,745	2,439
	<u>\$ 29,894</u>	<u>\$ 189,817</u>	<u>\$ 11,574</u>

See independent auditor's report.



INDEPENDENT AUDITOR'S 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*

December 19, 2019

Board of Directors of
Algiers Charter School Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Algiers Charter School Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended solely for the information and use of Algiers Charter School Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

SINGLE AUDIT SECTION



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

December 19, 2019

Board of Directors of
Algiers Charter School Association

Report on Compliance for Each Major Federal Program

We have audited Algiers Charter School Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Algiers Charter School Association's major federal programs for the year ended June 30, 2019. Algiers Charter School Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Algiers Charter School Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Algiers Charter School Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Algiers Charter School Association's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Algiers Charter School Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Algiers Charter School Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Algiers Charter School Association's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hienz & Macaluso, LLC

Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed through State Department of Education		
Title I, Part A Cluster		
ESEA of 1965, Title I, Part A	84.010	\$ 1,954,717
Total Title I, Part A Cluster		<u>1,954,717</u>
Special Education Cluster (IDEA)		
IDEA, Part B	84.027	945,272
IDEA, Pre-K	84.173	4,473
Total Special Education Cluster (IDEA)		<u>949,745</u>
ESEA of 1965, Title II, Part A	84.367	<u>276,029</u>
Special Education - State Personnel Development	84.323	<u>5,724</u>
Striving Readers/Comprehensive Literacy Development	84.371	<u>78,759</u>
Student Support and Academic Enrichment Program	84.424	<u>124,804</u>
Career and Technical Education - Basic Grants to States	84.048	<u>12,370</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>3,402,148</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
Child Nutrition Cluster		
School Breakfast Program	10.553	334,745
National School Lunch Program	10.555	913,090
Summer Food Service Program for Children	10.559	24,282
Total Child Nutrition Cluster		<u>1,272,117</u>
Child and Adult Care Food Program	10.558	<u>168,909</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>1,441,026</u>
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
LA 4 - TANF	93.558	194,776
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>194,776</u>
<u>Other Programs</u>		
Passed-Through Alvin Callender Air Force Base:		
Reserve Officer Training Corp. (ROTC)	99.999	67,944
TOTAL OTHER PROGRAMS		<u>67,944</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 5,105,894</u>

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

2. ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and the end of the year.

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2019.

4. DE MINIMIS INDIRECT COST RATE

ACSA did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2019.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Algiers Charter School Association.
2. No control deficiencies were disclosed during the audit of the financial statements of Algiers Charter School Association
3. No instances of noncompliance material to the financial statements of Algiers Charter School Association were noted.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance*.
5. The auditor's report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unmodified opinion.
6. The auditor's report disclosed no findings that were required to be reported in accordance with the Uniform Guidance.
7. A management letter was not issued for the year ended June 30, 2019.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Temporary Assistance for Needy Families	93.558
9. The threshold for distinguishing between type A and type B programs was \$750,000.
10. Algiers Charter School Association was determined to be a low-risk auditee.

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section.

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

There were no findings required to be reported in this section.

D. MANAGEMENT LETTER

Not applicable.

ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

There were no findings required to be reported in this section.

SECTION III – MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2018.

PERFORMANCE STATISTICAL DATA

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

December 19, 2019

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

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

The procedures and associated findings are as follows:

PROCEDURES AND FINDINGS

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

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

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

Class Size Characteristics (Schedule 2)

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

No differences were noted.

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

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

No differences were noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

No differences were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of ACSA as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Not applicable.

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		-

Sales Taxes

Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$	-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

ALGIERS CHARTER SCHOOL ASSOCIATION

Schedule 2

New Orleans, Louisiana

Class Size Characteristics

As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	34%	79	45%	50	50%	102	7%	4
Elementary Activity Class	3%	8	2%	2	2%	4	0%	0
Middle High	0%	0	0%	0	0%	0	0%	0
Middle High Activity Class	0%	0	0%	0	0%	0	0%	0
High	56%	130	49%	55	47%	96	76%	44
High Activity Class	7%	17	4%	5	2%	4	17%	10
Combination								
Combination Activity Class								

See Independent Accountant’s Report on Applying Agreed-Upon Procedures