

NEW VISION LEARNING ACADEMY, INC.
Monroe, Louisiana

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2017**

BY

ROSIE D. HARPER
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NEW VISION LEARNING ACADEMY, INC.

Monroe, Louisiana

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2017**

**New Vision Learning Academy, Inc.
Monroe, Louisiana**

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Year Ended June 30, 2017**

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New Vision Learning Academy, Inc.
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Independent Auditor's Report

To the Board of Directors of
New Vision Learning Academy, Inc.
Monroe, Louisiana

Report on the Financial Statement

I have audited the accompanying financial statements of New Vision Learning Academy, Inc. (a nonprofit organization), 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**New Vision Learning Academy, Inc.
Independent Auditor's Report (Continued)**

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Vision Learning Academy, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 through 14 and the Louisiana Compliance Questionnaire is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2017 on my consideration of New Vision Learning Academy, Inc.'s internal control over financial reporting and on my 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 my 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 New Vision Learning Academy, Inc.'s internal control over financial reporting and compliance.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 17, 2017

FINANCIAL STATEMENTS

NEW VISION LEARNING ACADEMY, INC.
Statement of Financial Position
June 30, 2017

Statement A

Assets

Cash and Cash Equivalents	\$ 2,500,190
Prepaid Expenses	44,265
Grants Receivable	80,902
Fixed Assets (Net of Accumulated Depreciation-Note F)	<u>26,195</u>
Total Assets	<u><u>2,651,552</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>69,670</u>
Total Liabilities	<u><u>69,670</u></u>

Net Assets:

Unrestricted	2,445,809
Temporarily Restricted:	<u>136,073</u>
Total Net Assets	2,581,882

Total Liabilities and Net Assets	<u><u>\$ 2,651,552</u></u>
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See Accompanying Auditor's Report and Notes to Financial Statements.

NEW VISION LEARNING ACADEMY, INC.

Statement of Activities

For the Year Ended

June 30, 2017

Statement B

UNRESTRICTED NET ASSETS

Support

Interest Income	\$ 1,761
State Public School Funding	3,053,748
Other Revenue	4,091
Total Support	<u>3,059,600</u>
TOTAL UNRESTRICTED SUPPORT	<u>3,059,600</u>

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>549,352</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>3,608,952</u>

Expenses

Instructional	2,303,768
Support Services	972,038
Operation of Non-Instructional Service	298,603
Total Expenses	<u>3,574,409</u>
Change in Unrestricted Net Assets	<u>34,543</u>

TEMPORARILY RESTRICTED NET ASSETS

Grants	
Federal	
Grants	527,449
Commodities	14,017
State	15,031
Local Revenue	<u>9,141</u>
TOTAL TEMPORARILY RESTRICTED SUPPORT	<u>565,638</u>
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(549,352)</u>
Change in Temporarily Restricted Net Assets	<u>16,286</u>
Change in Net Assets	50,829
Other Changes in Net Assets	
Prior Period Adjustment	<u>(266)</u>
Total Other Changes in Net Assets	<u>(266)</u>
Net Assets as of Beginning of Year	<u>2,531,319</u>
Net Assets as of End of Year	<u>\$ 2,581,882</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

NEW VISION LEARNING ACADEMY, INC.
Statement of Cash Flows
For the Year Ended
June 30, 2017

Statement C

Operating Activities	All Funds
Change in Net Assets	\$ 50,829
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	5,844
Decrease in Prepaid Expenses	16,597
Increase in Grants Receivable	(9,633)
Decrease in Other Receivables	8,400
Decrease in Accounts Payable/Accrued Liabilities	<u>(10,644)</u>
Total Adjustments	<u>10,564</u>
Net Cash Provided by Operating Activities	<u>61,393</u>
 Investing Activities	
Cash Paid for Office Equipment	<u>(12,900)</u>
Net Cash Used by Investing Activities	<u>(12,900)</u>
Net Decrease in Cash and Equivalents	48,493
 Cash and Cash Equivalents as of Beginning of Year	<u>2,451,963</u>
Other Changes in Cash	
Prior Period Adjustments	<u>(266)</u>
Total Other Changes in Cash	<u>(266)</u>
 Cash and Cash Equivalents as of the End of Year	<u><u>\$ 2,500,190</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

NEW VISION LEARNING ACADEMY, INC.
Statement of Functional Expenses
For the Year Ended
June 30, 2017

Statement D

	Instructional	Support Services Program	Non- Instructional	Total Expenses
Personnel Costs				
Salaries and Wages	\$ 1,411,520	\$ 275,373	\$ 65,090	\$ 1,751,983
Payroll Taxes and Other Fringe Benefits	526,002	88,502	-	614,504
Total Personnel Costs	1,937,522	363,875	65,090	2,366,487
Other Expenses				
Administration Fee	-	7,611	-	7,611
Advertising/Telephone/Dues	-	17,722	-	17,722
Auditing and Accounting	-	18,055	-	18,055
Books and Periodicals	48,555	-	-	48,555
Building Rental/Lease	-	403,200	-	403,200
Custodial Services/Disposal	-	36,770	-	36,770
Depreciation	-	5,844	-	5,844
Food and Commodities	-	-	233,513	233,513
Insurance	-	61,560	-	61,560
Materials and Supplies	79,323	543	-	79,866
Miscellaneous (Other Supplies)	22,484	2,257	-	24,741
Professional and Technical Services	188,562	-	-	188,562
Repairs, Equipment and Maintenance Services	11,814	3,815	-	15,629
Travel	15,508	1,275	-	16,783
Utilities	-	49,511	-	49,511
Total Other Expenses	366,246	608,163	233,513	1,207,922
Total Functional Expenses	\$ 2,303,768	\$ 972,038	\$ 298,603	\$ 3,574,409

See Accompanying Auditor's Report and Notes to Financial Statements.

**New Vision Learning Academy, Inc.
Monroe, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2017**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

New Vision Learning Academy, Inc. is a private non-profit Organization domiciled in Monroe, Louisiana. The Organization was chartered by the State of Louisiana on September 24, 1998. The Organization is a Type (2) charter school, which operates as an independent public school. The Organization is a private non-profit organization recognized as a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Service Code.

The objectives of the Organization are as follows:

- A. To enhance the personal growth and educational development of children through an academically sound program which produces intellectually able, technologically competent, morally stable, psychologically, and physically healthy, capable, and contributing citizens of the next century;
- B. To increase the meaningful involvement of parents and the community in the process of educating children;
- C. To provide service and outreach support and partnerships that will strengthen families and the community.

A Board of Directors consisting of seven (7) members governs the Organization. The Board of Directors receives no compensation.

Financial Statement Presentation

New Vision Learning Academy, Inc. follows the guidance of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC). The Organization is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting

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

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Public Support and Revenue

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used.

Revenue and public support consists mainly of state and federal grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. The total cash balances at June 30, 2017, are as follows:

Temporarily Restricted	\$ 136,073
Unrestricted	2,364,117
Total Cash	<u>\$ 2,500,190</u>

Income Taxes

The organization is a nonprofit corporation, exempt under section 501 (c) (3) of the internal revenue code and did not conduct unrelated business activities. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 17, 2017, and there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended June 30, 2017, 2016, and 2015; however, there are currently no audits for any tax period in progress.

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Total Columns

Total Columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with Generally Accepted Accounting Principles. Neither is such data comparable to a consolidation.

NOTE B. RETIREMENT SYSTEMS

Plan Description

The Teachers' Retirement System of Louisiana (TRSL) is a multiple-employer, cost-sharing defined benefit pension plan established by the Legislature in 1936. Its assets are held in trust to provide retirement benefits for retired members and their beneficiaries. Participation in the Teachers' Retirement System of Louisiana (TRSL) is divided into four cost sharing multiple-employer statewide sub-plans; the K-12 Regular Plan, higher education Regular Plan, and School Lunch Plan A and Plan B. In general, the Regular Plans includes professional employees (such as teachers and principals) and Plan A and Plan B members consist of lunchroom workers. Benefit provisions are established in accordance with Louisiana state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123.

Funding Policy

Covered employees are required to contribute 8.0% of their salary to the Regular Plan. The School Board was required to contribute 27.4%, 28.2% and 28.9% of covered employees' salaries for the years ended June 30, 2017, 2016, and 2015, respectively. The employer and employee contribution obligations are established and may be amended by Louisiana state statute. The School Board's contributions for the years ended June 30, 2017, 2016, and 2015 were \$406,700, \$450,988 and \$529,449, respectively, equal to the required contributions for each year. Covered employees' salaries were \$1,653,385, \$1,709,555, and \$1,835,884 for the years ended June 30, 2017, 2016, and 2015, respectively.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Plan (DROP) on the first retirement eligibility date for a period not to exceed three years. A member has a 60-day window from his first eligible date to participate in the plan in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

NOTE B. RETIREMENT SYSTEMS (continued)

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or as an additional annuity based upon the account balance.

DROP was implemented on July 1, 1992, with the passage of Louisiana Revised Statute 11:786 by the Legislature. When a member enters DROP, his status changes from active member to retiree, even though he continues to work at his regular job and draws his regular salary. In the original DROP, participation in the plan could not exceed two years; however, DROP was modified on January 1, 1994 to allow for a three-year period of participation. During the DROP participation period, the retiree's retirement benefits are paid into a special account. The election is irrevocable once participation begins. For members eligible to enter DROP prior to January 1, 2004 interest will be earned at a rate equal to the actuarial realized rate of return on the System's portfolio for that plan year as certified by the System actuary in their actuarial report, less one-half of one percent after participation ends.

For members eligible to enter DROP on or after January 1, 2004, interest will be earned at the liquid asset money market rate, less one quarter of one percent administrative fee. Interest is posted monthly to the accounts and will be based on the balance in the account for that month. At the time of retirement, the member must choose among available alternatives for the distribution of benefits which have accumulated in the DROP account.

NOTE C. ACCRUED LIABILITIES

At June 30, 2017, the Organization had accrued liabilities consisting of the following:

Payable to Vendors	\$ 6,262
Payroll Liabilities	63,408
Total	<u>\$ 69,670</u>

NOTE D. CHANGES IN NET ASSETS

At June 30, 2017, the Organization had net assets as follows:

Net Assets	Balance @ July 1, 2016	Change in Net Assets	Prior Period Adjustment	Balance @ June 30, 2017
Unrestricted	\$ 2,411,532	\$ 34,543	\$ (266)	\$ 2,445,809
Temporarily Restricted	119,787	16,286	-	136,073
Total	<u>\$ 2,531,319</u>	<u>\$ 50,829</u>	<u>\$ (266)</u>	<u>\$ 2,581,882</u>

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

NOTE E. RECEIVABLE-GRANTS

At June 30, 2017, the Organization had grant receivables from the Louisiana Department of Education as follows:

School Lunch Fund	\$	14,839
Title I		64,383
Title II		1,493
IDEA B		187
Total	\$	<u>80,902</u>

NOTE F. FIXED ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Appliance, Furniture, and Equipment 3 to 7 years

The following is a summary of appliance, furniture, and equipment as of June 30, 2017:

Description	Balance @ July 1, 2016	Additions	Retirements	Balance @ June 30, 2017
Appliance, Furniture, & Equipment	\$ 728,532	\$ 12,900	\$ -	\$ 741,432
Depreciation	(709,393)	(5,844)	-	(715,237)
Total	\$ 19,139	\$ 7,056	\$ -	\$ 26,195

NOTE G. OPERATING LEASE

The Organization had an operating lease for the period ended June 30, 2017 for a building and office, which is located at the 507 Swayze Street, Monroe, Louisiana 71201. On June 30, 2015, the Organization entered into a three (3) year lease for the fiscal years ended June 30, 2016 through June 30, 2018 with an option to renew. Annual lease payments are \$403,200. At the end of the lease, the facility will revert to the owners. For the year ended June 30, 2017, the Organization paid total lease payments of \$403,200. Future lease payments are as follows:

Year Ending	Site	Cost
June 30, 2018	School Building (507 Swayze Street)	\$ 403,200.00
	Total	\$ <u>403,200.00</u>

NOTE H. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

NOTE I. COMPENSATED ABSENCES

All employees of the Organization earn 8 days of sick leave and 2 personal days each year, provided, however, that the employee is contracted for a full year. Sick leave can be accumulated without limitation. Upon retirement and/or death, an employee will be paid any unused sick pay not to exceed 25 days per Louisiana Revised Statute 17:47 at the employees' current rate of pay.

Members of the fully certified, tenured teaching staff of the special schools shall be eligible for sabbatical leaves for professional or cultural improvement or medical leave for the two semesters immediately following any twelve or more consecutive semesters of active service in the parish where the teacher is employed, or for the one semester immediately following any six or more consecutive semesters of service.

NOTE J. BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors. Thus, a "budget to actual" comparative statement is presented as supplemental information.

NOTE K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 17, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE L. CONCENTRATIONS OF RISKS

Source of Funding

New Vision Learning Academy, Inc. received 84% of its revenues for the year ended June 30, 2017, from the State of Louisiana, subject to its charter agreement with the State.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

New Vision Learning Academy, Inc. periodically maintains cash in one financial institution located northern Louisiana in excess of insured limits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 Deposits which are insured or collateralized with securities held by its agent in the Organization's name.

New Vision Learning Academy, Inc.
Notes to Financial Statements (Continued)

Category 2 Deposits, which are collateralized with securities, held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 Deposits which are not collateralized or insured.

Based on these three levels of risk, all the Organization's cash deposits are classified as Category 1. At June 30, 2017, the carrying amount and bank balance of the Organization's deposits was \$2,500,190 and was covered as follows:

Federal Depository Insurance	\$ 250,000
Pledged Securities by Fiscal Agent	<u>2,250,192</u>
Total	<u>\$ 2,500,192</u>

NOTE M. PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2017, the Organization had prior period adjustments as follows:

Understated Expenses	\$ 266
Total	<u>\$ 266</u>



ROSIE D. HARPER

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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

To the Board of Directors of
New Vision Learning Academy, Inc.
Monroe, Louisiana

I 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 New Vision Learning Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 17, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered New Vision Learning Academy, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Vision Learning Academy, Inc.'s internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 New Vision Learning Academy, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an

New Vision Learning Academy, Inc.
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* (Continued)

opinion. The results of my 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 my 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 17, 2017

SUPPLEMENTAL INFORMATION

NEW VISION LEARNING ACADEMY, INC.
Schedule of Board Members

For the Year Ended
June 30, 2017

Board Member	Title	Location
Dr. Danny Hunt	President	Monroe, Louisiana
Sheila Grayson	Treasurer	Monroe, Louisiana
Rod Washington	Secretary	Monroe, Louisiana
Linda Smith	Board Member	Monroe, Louisiana
Larry Doyle	Board Member (Parent)	Monroe, Louisiana
Damion Green	Board Member (Parent)	West Monroe, Louisiana
Anita Tennant Mack	Board Member	Monroe, Louisiana



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**Independent Accountant's Report On Applying Agreed-Upon Procedures
to the Management of New Vision Learning Academy**

To: The Board of Directors
New Vision Learning Academy, Inc.
Monroe, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of New Vision Learning Academy, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of New Vision Learning Academy, Inc. (a Type 2 Charter School) 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. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

My procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

1. I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Additionally, I compared the amounts reported on the schedule to the general ledger trial balance as of June 30, 2017, which supports the amounts in the audited financial statements.

Findings: *None*

New Vision Learning Academy, Inc.
Independent Accountant's Report On Applying Agreed-Upon Procedures (Continued)

Education Levels of Public School Staff (Schedule 2)

2. I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Findings: *None*

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: *None*

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced the entire 17 employees on the list to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings: *None*

Number and Type of Public Schools (Schedule 3)

5. I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: *None*

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)

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

Findings: *None*

Public Staff Data: Average Salaries (Schedule 5)

7. I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent status as reported on the schedule. Although the agreed upon procedure was to randomly sample 25 of the teachers on the list, only 15 equivalent full-time teachers were employed. From the list, all 15 teachers were selected. For the teachers selected, I traced the information on the schedule to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents status were properly included on the schedule.

Findings: *None*

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

Findings: *None*

**New Vision Learning Academy, Inc.
Independent Accountant's Report On Applying Agreed-Upon Procedures (Continued)**

Class Size Characteristics (Schedule 6)

9. I obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings: *None*

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the New Vision Learning Academy, Inc.

Findings: *None*

The Graduation Exit Exam (GEE) (Schedule 8)

11. The Graduation Exit Exam (GEE) is no longer administered. This schedule is no longer applicable.

The iLeap Tests (Schedule 9)

12. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the New Vision Learning Academy, Inc.

Findings: *None*

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the New Vision Learning Academy, Inc.'s Board, the Louisiana Department of Education, the Louisiana Legislature, 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 Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 17, 2017

**New Vision Learning Academy, Inc.
Monroe, Louisiana**

**Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
as of and for the Year ended June 30, 2017**

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for principals, assistant principals and full time teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule requires three years of data.

New Vision Learning Academy, Inc.
Monroe, Louisiana
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
as of and for the Year ended June 30, 2017

Schedule 8 - Graduation Exit Exam (GEE)

The Graduation Exit Exam (GEE) is no longer administered. This schedule is no longer applicable.

Schedule 9 - iLEAP Test Results

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7 and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule requires three years of data.

**General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 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	\$ 911,508	
Other Instructional Staff Activities	384,502	
Instructional Staff Employee Benefits	461,969	
Purchased Professional and Technical Services	142,420	
Instructional Materials and Supplies	98,643	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>1,999,042</u>	
Other Instructional Activities		<u>38,666</u>
Total General Fund Instructional Expenditures		<u>2,037,708</u>
Pupil Support Activities	-	
Less: Equipment for Pupil Support	-	
Net Pupil Support Activities	<u>-</u>	
Instructional Staff Services	-	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>-</u>	
School Administration	340,219	
Less: Equipment for School Administration	-	
Net School Administration	<u>340,219</u>	
Total General Fund Instructional and Support Expenditures		<u>\$ 2,377,927</u>

Total General Fund Expenditures \$ 2,377,927

Certain Local Revenue Sources

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ -	
Renewable Ad Valorem Tax	-	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-	
Sales and Use Taxes	-	
Total Local Taxation Revenue	<u>\$ -</u>	
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	<u>\$ -</u>	
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	<u>\$ -</u>	
Nonpublic Textbook Revenue	<u>\$ -</u>	
Nonpublic Transportation Revenue	<u>\$ -</u>	

See Independent Accountant's 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			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	7	54%	2	100%	0	0%	0	0%
Master's Degree	5	38%	0	0%	0	0%	0	100%
Master's Degree + 30	1	8%	0	0%	1	50%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	1	50%	0	0%
Total	13	100%	2	100%	2	100%	0	100%

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

**Number and Type of Public Schools
For the Year Ended June 30, 2017**

Type	Number
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

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

**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	0	0	1	0	0	0	1
Principals	0	0	0	0	0	1	0	1
Classroom Teachers	0	1	3	1	3	0	7	15
Total	0	1	3	2	3	1	7	17

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

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	62,473	\$ 62,473
Average Classroom Teachers' Salary Excluding Extra Compensation	56,100	\$ 56,100
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salary	15	15

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See Independent Accountant's 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	60%	9	40%	6	0%	0	0%	0
Elementary Activity Classes	0%	0	0%		0%	0	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

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

Louisiana Educational Assessment Program (LEAP) for the 21st Century
 For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%
Mastery	11	34%	9	17%	17	41%	10	31%	6	12%	14	34%
Basic	9	28%	14	27%	14	34%	13	41%	18	35%	17	41%
Approaching Basic	9	28%	16	31%	9	22%	8	25%	27	52%	8	20%
Unsatisfactory	3	9%	12	23%	1	2%	1	3%	1	2%	2	5%
Total	32	99%	52	100%	41	100%	32	100%	52	100%	41	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	2%	0	0%	1	2%	0	0%	0	0%	1	2%
Mastery	13	32%	11	32%	20	43%	1	2%	10	29%	13	28%
Basic	21	51%	13	38%	17	37%	16	39%	16	47%	24	52%
Approaching Basic	5	12%	10	29%	6	13%	19	46%	8	24%	7	15%
Unsatisfactory	1	2%	0	0%	2	4%	5	12%	0	0%	1	2%
Total	41	99%	34	100%	46	100%	41	99%	34	100%	46	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	10	40%	13	42%	11	38%	1	4%	5	16%	3	10%
Basic	10	40%	12	39%	10	34%	8	32%	11	35%	14	48%
Approaching Basic	5	20%	4	13%	8	28%	14	56%	13	42%	9	31%
Unsatisfactory	0	0%	2	6%	0	0%	2	8%	2	6%	3	10%
Total	25	100%	31	100%	29	100%	25	100%	31	100%	29	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	1	5%	0	0%	17	55%	0	0%	0	0%	0	0%
Mastery	10	45%	9	45%	12	39%	6	27%	5	25%	6	19%
Basic	6	27%	6	30%	1	3%	12	55%	12	60%	21	68%
Approaching Basic	4	18%	5	25%	1	3%	3	14%	3	15%	4	13%
Unsatisfactory	1	5%	0	0%	0	0%	1	5%	0	0%	0	0%
Total	22	100%	20	100%	31	100%	22	101%	20	100%	31	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8 N/A												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Approaching Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts						Mathematics					
	2017		2016		2015		2017		2016		2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8 N/A												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Approaching Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

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

N/A

The Graduation Exit Exam is no longer administered. This schedule is no longer applicable.

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

The iLEAP Tests
 For the Year Ended June 30, 2017

District Achievement Level Results	Science						Social Studies					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3									NA			
Advanced	0	0%	0	0%	0	0%	0	0%		0%	0	0%
Mastery	6	19%	5	10%	5	12%	3	8%	0	0%	6	15%
Basic	17	53%	27	52%	29	71%	12	38%	0	0%	26	63%
Approaching Basic	8	25%	15	29%	5	12%	12	38%	0	0%	8	20%
Unsatisfactory	1	3%	5	10%	2	5%	5	16%	0	0%	1	2%
Total	32	100%	52	100%	41	100%	32	100%	0	0%	41	100%

District Achievement Level Results	Science						Social Studies					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4									NA			
Advanced	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%
Mastery	3	7%	4	12%	7	15%	6	15%	0	0%	6	13%
Basic	26	63%	24	71%	27	59%	14	34%	0	0%	29	63%
Approaching Basic	10	24%	6	18%	6	13%	16	39%	0	0%	8	17%
Unsatisfactory	2	5%	0	0%	5	11%	5	12%	0	0%	3	7%
Total	41	100%	34	100%	46	100%	41	100%	0	0%	46	100%

District Achievement Level Results	Science						Social Studies					
	2017		2016		2015		2017		2016		2015	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5									NA			
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	7	23%	5	17%	1	4%	0	0%	4	14%
Basic	13	52%	13	42%	15	52%	4	16%	0	0%	16	55%
Approaching Basic	10	40%	8	26%	6	21%	12	48%	0	0%	6	21%
Unsatisfactory	2	8%	3	10%	3	10%	8	32%	0	0%	3	10%
Total	25	100%	31	100%	29	100%	25	100%	0	0%	29	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced					N/A	
Mastery					N/A	
Basic					N/A	
Approaching Basic					N/A	
Unsatisfactory					N/A	
Total					N/A	

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced					N/A	
Mastery					N/A	
Basic					N/A	
Approaching Basic					N/A	
Unsatisfactory					N/A	
Total					N/A	

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

Schedule of Activities-Budget to Actual

For the Year Ended

June 30, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
Federal	\$ 567,125	\$ 541,466	\$ 25,659
Interest Income	2,300	1,761	539
Local	11,550	9,141	2,409
State Public School Funding	3,045,160	3,068,563	(23,403)
Other State Funding	19,588	216	19,372
Miscellaneous	12,500	4,091	8,409
Total Revenue	<u>3,658,223</u>	<u>3,625,238</u>	<u>32,985</u>
EXPENDITURES			
Personnel Costs			
Salaries and Wages	1,761,555	1,751,983	9,572
Payroll Taxes and Other Fringe Benefits	623,674	614,504	9,170
Total Personnel Costs	<u>2,385,229</u>	<u>2,366,487</u>	<u>18,742</u>
Other Expenditures			
Administration Fee	7,611	7,611	-
Advertising/Telephone/Dues	12,750	17,722	(4,972)
Auditing and Accounting	18,300	18,055	245
Books and Periodicals	48,000	48,555	(555)
Building Rental/Lease	403,200	403,200	-
Custodial Services/Disposal	38,500	36,770	1,730
Food & Commodities	232,000	233,513	(1,513)
Insurance	65,000	61,560	3,440
Materials and Supplies	82,300	79,866	2,434
Miscellaneous (Other Supplies)	21,500	24,741	(3,241)
Professional and Technical Services	152,505	188,562	(36,057)
Repairs, Equipment and Maintenance Services	16,000	15,629	371
Travel	23,668	16,783	6,885
Utilities	51,550	49,511	2,039
Total Other Expenditures	<u>1,172,884</u>	<u>1,202,078</u>	<u>(29,194)</u>
Total Expenditures*	<u>3,558,113</u>	<u>3,568,565</u>	<u>(10,452)</u>
Excess of Revenues over Expenditures	<u>\$ 100,110</u>	<u>\$ 56,673</u>	<u>\$ 43,437</u>

* Does not include depreciation expense.

See Accompanying Auditor's Report and Notes to Financial Statements.

NEW VISION LEARNING ACADEMY, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Schedule 11

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE		
Passed through the State of Louisiana		
Department of Education		
National School Lunch Program	10.555	\$ 229,424
School Breakfast Program	10.553	70,608
Food & Nutrition Admin Fee	10.560	1,037
Passed through the State of Louisiana		
Department of Agriculture and Forestry		
Food Distribution Program (Commodities)	10.565	<u>14,017</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE		<u><u>\$ 315,086</u></u>
UNITED STATES DEPARTMENT OF EDUCATION		
Passed through the State of Louisiana		
Department of Education		
Title I Grants to Local Educational Agencies	84.010	142,072
T2A Improving Teacher Quality State Grants	84.367	27,888
Idea B Special Education	84.027	54,006
Idea -Preschool	84.173	<u>2,414</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION		<u><u>\$ 226,380</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 541,466</u></u>

**NEW VISION LEARNING ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

The accompanying schedule of expenditures of federal awards includes the federal award activity of New Vision Learning Academy, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of New Vision Learning Academy, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Vision Learning Academy, Inc.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

See Accompanying Auditor's Report and Notes to Financial Statements.

New Vision Learning Academy
 Schedule of Participation and Reimbursement
 School Lunch Program
 June 30, 2017

Schedule 12

BREAKFAST									
Month	Paid	\$	0.29	Severely	1.41	Severely Free	2.04	Total	Total
July-June	Meals			Reduced		Meals		Meals	Breakfasts
				Meals					
Jul-16	-	\$	-	-	-	783	\$ 1,597.32	783	\$ 1,597.32
Aug-16	-	-	-	-	-	3,160	6,446.40	3,160	6,446.40
Sep-16	-	-	-	-	-	4,196	8,559.84	4,196	8,559.84
Oct-16	-	-	-	-	-	3,949	8,055.96	3,949	8,055.96
Nov-16	-	-	-	-	-	3,039	6,199.56	3,039	6,199.56
Dec-16	-	-	-	-	-	2,514	5,128.56	2,514	5,128.56
Jan-17	-	-	-	-	-	2,850	5,814.00	2,850	5,814.00
Feb-17	-	-	-	-	-	3,090	6,303.60	3,090	6,303.60
Mar-17	-	-	-	-	-	2,952	6,022.08	2,952	6,022.08
Apr-17	-	-	-	-	-	3,203	6,534.12	3,203	6,534.12
May-17	-	-	-	-	-	3,194	6,515.76	3,194	6,515.76
Jun-17	-	-	-	-	-	1,682	3,431.28	1,682	3,431.28
Total	-	\$	-	-	-	34,612	\$ 70,608.48	34,612	\$ 70,608.48

LUNCHES									
Month	Paid	Reduced	\$	2.46	Free	\$	2.86	Total	Total
July-June	Meals	Meals			Meals			Meals	Lunches
Jul-16	-	-	\$	-	1,693	\$ 4,841.98	1,693	\$ 541.76	\$ 5,383.74
Aug-16	-	-	-	-	5,514	15,770.04	5,514	1,764.48	17,534.52
Sep-16	-	-	-	-	7,111	20,337.46	7,111	2,275.52	22,612.98
Oct-16	-	-	-	-	6,992	19,997.12	6,992	2,237.44	22,234.56
Nov-16	-	-	-	-	5,330	15,243.80	5,330	1,705.60	16,949.40
Dec-16	-	-	-	-	4,909	14,039.74	4,909	1,570.88	15,610.62
Jan-17	-	-	-	-	5,731	16,390.66	5,731	1,833.92	18,224.58
Feb-17	-	-	-	-	6,072	17,365.92	6,072	1,943.04	19,308.96
Mar-17	-	-	-	-	5,621	16,076.06	5,621	1,798.72	17,874.78
Apr-17	-	-	-	-	5,719	16,356.34	5,719	1,830.08	18,186.42
May-17	-	-	-	-	5,802	16,593.72	5,802	1,856.64	18,450.36
Jun-17	-	-	-	-	3,521	10,070.06	3,521	1,126.72	11,196.78
Total	-	-	\$	-	64,015	\$ 183,082.90	64,015	\$ 20,484.80	\$ 203,567.70

MENU CERTIFICATION REIMBURSEMENT				SNACKS			
Month	Rate	\$	0.06	Free	Rate	\$	0.86
July-June	Total Meals		Reimb	Snacks	Rate		Total Reimb
Jul-16	1,693	\$	101.58	-	-	\$ 7,082.64	
Aug-16	5,514	-	330.84	-	-	24,311.76	
Sep-16	7,111	-	426.66	3,010	2,588.60	34,188.08	
Oct-16	6,992	-	419.52	4,138	3,558.68	34,268.72	
Nov-16	5,330	-	319.80	3,197	2,749.42	26,218.18	
Dec-16	4,909	-	294.54	2,630	2,261.80	23,295.52	
Jan-17	5,731	-	343.86	3,100	2,666.00	27,048.44	
Feb-17	6,072	-	364.32	3,388	2,913.68	28,890.56	
Mar-17	5,621	-	337.26	2,983	2,565.38	26,799.50	
Apr-17	5,719	-	343.14	3,153	2,711.58	27,775.26	
May-17	5,802	-	348.12	-	-	25,314.24	
Jun-17	3,521	-	211.26	-	-	14,839.32	
Total	64,015	\$	3,840.90	25,599	\$ 22,015.14	\$ 300,032.22	

Reimbursement	300,032.22
Total Reimbursement Received	<u>300,032.22</u>
Total Eligible Reimbursement	<u>300,032.22</u>
Difference	<u><u>-</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

NEW VISION LEARNING ACADEMY, INC.
Schedule Of Findings And Questioned Costs
Year Ended June 30, 2017

NOTE A. SUMMARY OF AUDIT RESULTS

1. Financial Statements:

Type of auditor's report issued on whether the financial statements were prepared in accordance to GAAP: Unmodified

2. Internal Control Over Financial Reporting:

- a. Material weakness identified: No
- b. Significant deficiencies identified: No
- c. Non-compliance material to financial statements noted? No

NOTE B. FINANCIAL STATEMENTS AUDIT

There were no findings.

QUESTIONED COSTS

There were no questioned costs.

NEW VISION LEARNING ACADEMY, INC.
Schedule of Compensation - Key Management

Schedule 14

For the Year Ended
June 30, 2017

	<u>Dr. Andrea Miller</u>	<u>Michael McFarland</u>	<u>Michael Dickerson</u>
Job Title	Principal	Dean of Students	Business Manager
Salary	\$ 130,000	\$ 72,333	\$ 36,000
Benefits-Insurance	10,650	6,547	-
Benefits-Retirement	33,237	18,445	-
Other Benefits	-	-	-
Car Allowance	-	-	-
Vehicle provided by Government	-	-	-
Per Diem	-	-	-
Reimbursements	639	44	-
Travel	1,275	-	-
Registration Fees	-	-	-
Conference Travel	-	-	-
Continuing Professional Education Fees	-	-	-
Housing	-	-	-
Unvouchered Expenses	-	-	-
Special Meals	-	-	-
Total Compensation	\$ 175,801	\$ 97,369	\$ 36,000

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Charter Schools)**

October 24, 2017

Rosie D. Harper, CPA, LLP
300 Washington Street Suite 308
Monroe, LA 71201

In connection with your audit of our financial statements as of June 30, 2017 and for (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of October 24, 2017 date of the representations.

PART I. SCHOOL PROFILE

1. Name and address of the charter school.
New Vision Learning Academy
507 Swayze Street
Monroe, LA 71201

2. List names, addresses, and telephone numbers of school officials. Include members of the governing board, chief executive and fiscal officer, and legal counsel.
See Attachment

3. Period of time covered by this questionnaire.
Fiscal Year Ending June 30, 2017

4. Identify the charter school type and the parties to the charter.
Type 2 Board of Elementary and Secondary Education and New Vision Learning Academy, Inc.
Board of Directors

5. Briefly describe the public services provided.
PreK-6 Grade Public School

6. Identify the expiration date of current charter.
June 2017

LEGAL COMPLIANCE

PART II. ADMINISTRATION

7. It is true that no member of the governing or management board has received any compensation other than reimbursement of actual expenses incurred while fulfilling duties as a member of such board [R.S. 17:3991(A)(1)(b)].
8. All members of the governing board and all school administrators meet the qualifications prescribed by the charter school agreement [R.S. 17.3991(B)(10)].
9. Our actual management and accounting practices comply with those prescribed by the charter agreement [R.S. 17.3991(B)(16)].
10. It is true that the school has maintained the types and amounts of insurance coverage specified by the charter agreement [R.S. 17.3991(B)(18)].
11. The school is not affiliated with any religion or religious organization or institution [R.S. 17:3991(E)(1)].

Yes [X] No []

PART III. STUDENT ADMISSIONS

12. Student admission requirements, if any, include a system for appropriate admission decisions and the requirements have been applied on a consistent basis [R.S. 17:3991(B)(3)].
13. It is true that all students reside within the jurisdiction of the school as described in the charter agreement [R.S. 17:3991(C)(1)(a)].
14. The student application period is not less than one month nor more than three months [R.S. 17:3991(C)(1)(b)].
15. No students, other than those enrolled in the preexisting school, if applicable, or those who attended the charter school in its previous year of operation, or the siblings of students who attended the charter school in its previous year of operation have been given preferential admission or have been admitted during the application period [R.S. 17:3991(C)(1)(c)(i) through (iii)].

Yes [X] No []

PART IV. INSTRUCTIONAL STAFF

16. The charter school has employed instructional staff who have at least a baccalaureate degree and who are subject to all provisions of state law relative to background checks applicable to the employment of public school personnel [R.S. 17: 17:3991(C)(6)].

Yes [X] No []

PART V FIXED ASSETS

17. Yes, as a Type 4 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets belonging to the local school board [R.S. 17:3991(H)].
18. Yes, as a Type 1, Type 2, Type 3, Type 3B, or Type 5 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets acquired with public funds, which, if the school ceases to operate, become the property of the chartering authority [R.S. 17:3991(H)].

19. The charter school, regardless of type, has maintained records of fixed assets that clearly identify those assets which were acquired with private funds and which remain the property of the nonprofit organization [R.S. 17:3991(H)].

Yes [X] No []

PART VI COUNT OF STUDENTS

20. It is true that the student count reported to the local school board or the Louisiana Department of Education, as applicable, represents the actual number of eligible students enrolled in the charter school as of October 1 of the funding year [R.S. 17:3995(A)(1)].

Yes [X] No []

PART VII OPEN MEETINGS LAW

21. We have complied with the laws pertaining to open and public meetings (R.S. 42:11 through 42:28).

Yes [X] No []

PART VIII PUBLIC RECORDS ACT

22. It is true that we have complied with the laws pertaining to public records (R.S. 44:1 through 44:39).

Yes [X] No []

PART IX PUBLIC BID LAW

23. It is true that we obtained bids for any erection, construction, alteration, improvement, or repair of a public facility or immovable property (R.S. 38:2211 through 38:2259).

Yes [X] No []

PART X STATE AUDIT LAW

24. It is true that we have provided audited financial statements to the Legislative Auditor in accordance with and within the timeframe established by the state audit law (R.S. 24:513).

Yes [X] No []

PART XI GENERAL

25. It is true that the actual operations of the school agree with those specified in its approved charter (See Charter).

Yes [X] No []

PART XII ISSUERS OF MUNICIPAL SECURITIES

26. It is true that we have complied with the requirements of R.S. 39:1438.C.

Yes [X] No []

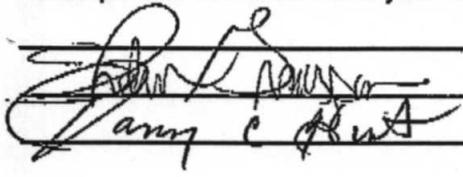
PART XIII REPORTING

27. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [X] No []

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, the Louisiana Department of Education, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.



Secretary October 24, 2017 Date

Treasurer October 24, 2017 Date

President October 24, 2017 Date

Board of Directors 2016 - 2017

Name	Address	City/State	Zip Code	Telephone
Dr. Danny Hunt, Board President Retired Engineer, Dow Chemical Pastor, Walk In The Word Church	3253 Deborah Drive	Monroe, LA.	71201	<u>318-348-8083</u> (Call) 318-418-0982 <u>dchunt@bellsouth.net</u>
Larry Doyle Parent	112 Kiowa Street	Monroe, LA.	71203	318-343-5169 (h) <u>318-372-7265</u> (c) (Call) <u>ldoneone@msn.com</u>
Sheila Grayson, Board Treasurer Vice President Community Trust Bank	107 Mahan Lane	Monroe, LA.	71203	<u>318-998-4668</u> (Call) 318-998-4641 Fax 318-680-8817 <u>sgrayson@ctbonline.com</u>
Damion Green District Manager Restaurant Industry Business: Waffle House	112 Clover Road	West Monroe, LA.	71291	318-398-7323 <u>318-512-0407</u> (c) (Call) <u>damion.green@hotmail.com</u>
Anita Tennant Mack Attorney	212 Monarch	Monroe, LA.	71203	<u>318-318-816-1439</u> (Call) <u>attyatm@yahoo.com</u>
Linda Smith, Board Vice President School Counselor Carroll High School	403 Shady Lane	Monroe, LA.	71203	318-387-8441 x1006 (w) <u>318-235-2116</u> (c) (Call) <u>lbritton1973@yahoo.com</u>
Rod Washington, Board Secretary Public Relations Director City of Monroe	127 Daywood Dr.	Monroe, LA.	71203	318-345-3244 318-557-5669 <u>318-366-8762</u> (Call) <u>rod.washington@ci.monroe.la.us</u>

NEW VISION LEARNING ACADEMY, INC.
MONROE, LOUISIANA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2017**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

300 Washington Street, Suite 308 • Monroe, Louisiana 71201
OFFICE (318) 387-8008 • FAX (318) 387-0806

NEW VISION LEARNING ACADEMY, INC.
MONROE, LOUISIANA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2017**

**NEW VISION LEARNING ACADEMY, INC.
Monroe, Louisiana**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
As of and for the Year Ended June 30, 2017**

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ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
New Vision Learning Academy, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by New Vision Learning Academy, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

The Entity's written policies and procedures do provide guidelines for adopting, monitoring, and amending the budget.

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity's written policies and procedures do provide guidelines for how purchases are initiated, vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, controls. The written policies and procedures do not address how the Entity ensures compliance with the public bid law, and documentation required to be maintained for all bids and price quotes. The Entity does follow the procedures required by the Louisiana Public Bid Law.

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

The Entity's written policies and procedures do provide guidelines for processing, reviewing, and approval of disbursements.

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

The Entity's written policies and procedures do provide guidelines for receiving, recording, and preparing deposits.

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

The Entity's written policies and procedures do provide guidelines for payroll processing and approval. The written policies and procedures do not address attendance records, overtime and approval of leave time. The Entity does have an established process to approve attendance and leave time. The employees do not work overtime.

- 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

The Entity's policies and procedures manual does not provide guidelines for contracting including types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process. The Entity follows the procedures of the Louisiana Public Bid Law.

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

The Entity's does not use credit cards or debit cards.

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

The Entity's written policies and procedures do not provide guidelines for travel and expense reimbursement, including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The Entity's written policies and procedures do not address *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

N/A

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) Determined whether the managing 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.

The Entity's board of directors met with a quorum on a frequency in accordance with the board's bylaws.

- b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether 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.

The Entity's minutes did not reference monthly budget-to-actual comparisons on the financial information. The CPA does provide monthly financial statements to the board and quarterly budget to actual reports.

- c) Reported whether 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.

The Entity's minutes referenced non-budgetary financial information, such as approval of contracts, grant applications and personnel matters.

Bank Reconciliations

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

4. Using the listing provided by management, I selected all the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and determined whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were performed on all bank accounts provided by the Entity's management.

- 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; and

- 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.

The bank reconciliations are prepared by the CPA and reviewed monthly by the Principal. No reconciled items were on the bank statement outstanding for more than six months as of the end of the fiscal period.

Collections

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

6. Using the listing provided by management, I selected all the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined 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.

The Entity collects a minimal amount of cash. The collections are for t-shirts and lunch for parents and teachers. The funds are sometimes collected by the secretary or the cafeteria clerk. The supporting documentation for collections is provided to the CPA who is responsible for recording and reconciling the related bank account. Each cash collection is receipted. All cash deposits are reviewed by the CPA. All individuals responsible for handling cash are bonded.

- b) I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity 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.

The Entity collects a minimal amount of cash. The collections are for t-shirts and lunch for parents and teachers. The funds are sometimes collected by the secretary or the cafeteria clerk. The supporting documentations for collections is provided to the CPA who is responsible for recording and reconciling the related bank account. Each cash collection is receipted. All cash deposits are reviewed by the CPA.

- c) I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation and report any exceptions.

My testing disclosed no discrepancies.

7. Obtained existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) 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.

Since the Entity is on the free lunch program, the Entity receives minimal amounts of cash for lunch money from parents and teachers in addition to cash for t-shirts. The Entity's revenue mainly consists of federal and state grants. All grants and public funds are direct deposited. The Entity's CPA reconciles collection documentation to deposit slips before posting to the receipts to the general ledger. My testing disclosed no discrepancies.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. I obtained a listing of the entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, I randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:
 - 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.
Purchases were initiated using a requisition/purchase order system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
Purchase orders were approved by the appropriate authorized levels of management. My testing did not disclose any discrepancies.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
Payments for purchases were not processed without an approved requisition and purchase order; a receiving report showing receipt of goods purchased and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
The person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing and disbursement system but is separate from the person who authorizes and signs checks. All vendor additions and disbursements were approved by authorized personnel and management at an appropriate level.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
Persons with signatory authority and make the final authorization for disbursements are separate from the person responsible for recording but not always separate from the person responsible for initiating purchases.
12. Inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Unused checks are maintained in a locked location. They are logged and distributed to the CPA by a person that does not have signatory authority. Persons with signing authority do not have system access to print checks.

13. If a signature stamp or signature machine is used, inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

N/A

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

14. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards and obtained management's representation that the listing is complete.
15. Using the listing prepared by management, I randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

The Entity has no credit cards and no debit cards:

- a) I determined whether there was evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder

N/A

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

N/A

16. Using the monthly statements or combined statements I selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, I determined whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

N/A

- b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity'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) and report any exceptions.

N/A

- c) For each transaction, compared the entity'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). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

N/A

Travel and Expense Reimbursement

- 18 I obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. I obtained management's representation that the listing or general ledger is complete.
- 19 I obtained the entity's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined any amounts that exceed GSA rates.

The Entity's written policies and procedures does not provide guidelines for travel and expense reimbursement. The Entity adheres to the state of Louisiana guidelines for travel and requires an expense reimbursement report with supporting documentation for travel expenses. There were no amounts paid for travel and expense reimbursement that exceeded General Services Administration rates.

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

- a) The entity does not have written policies. I compared to the GSA rates (#18 above) to determine if each reimbursement exceeded those rates.

All travel and mileage reimbursements were less than or equal to the rates established by the U.S. General Services Administration.

- b) I determined whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
-
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

My testing did not disclose any discrepancies.

- c) I compared the entity'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. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions.

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

All travel requests are approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, selected the five contracts "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

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

The Entity had formal written contracts which supported services arrangements and the amount paid.

- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

N/A

- c) Reported whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

N/A

- d) Selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

My testing did not disclose any discrepancies.

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

My testing did not disclose any discrepancies.

Payroll and Personnel

- 22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtain their personnel files, and:

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

My testing did not disclose any discrepancies.

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

All hourly and salary pay changes were approved at the appropriate level of management.

- 23. I obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees (or randomly select one-third of employees if the entity had less than 25 employees during the fiscal period), and:

- a) I determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave.

My testing did not disclose any discrepancies.

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

All attendance and leave request of the selected employee/officials was approved by the appropriate level of management.

- c) I determined whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The Entity does maintain written leave records.

- 24. I obtained from management a list of employees/officials that were terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. I determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

N/A

25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined 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.

The Entity's payroll tax forms were filed timely.

Ethics (excluding nonprofits)

26. I used the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

The Entity does maintain documentation of ethics compliance. My testing did not disclose any discrepancies.

27. Inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

N/A

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

N/A

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

N/A

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

N/A

Other

31. Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

None

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32. Observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

My testing did not disclose any discrepancies.

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

None

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 17, 2017