

**FOUNDATION PREPARATORY CHARTER SCHOOL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING JUNE 30, 2019 AND 2018**

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# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Foundation Preparatory Charter School

### Report on the Financial Statements

We have audited the accompanying financial statements of Foundation Preparatory Charter School (a non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

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

## **Other Matters**

### *Other Information*

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

The Performance and Statistical Data and the report on the Statewide Agreed Upon Procedures are not required parts of the basic financial statements but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However we did not audit this information and, accordingly, express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019, on our consideration of Foundation Preparatory Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Foundation Preparatory Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation Preparatory Charter School's internal control over financial reporting and compliance.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC  
Baton Rouge, LA

September 24, 2019

**FOUNDATION PREPARATORY CHARTER SCHOOL  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 406,919	\$ 450,342
Accounts receivable, net	88,648	114,004
Prepaid expenses	<u>12,977</u>	<u>9,300</u>
Total Current Assets	508,544	573,646
Property and Equipment		
Equipment	23,671	23,671
Less: accumulated depreciation	<u>(21,645)</u>	<u>(15,714)</u>
Total Property and Equipment	<u>2,026</u>	<u>7,957</u>
Total Assets	<u>\$ 510,570</u>	<u>\$ 581,603</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 29,657	\$ 27,968
Accrued expenses	185,204	92,396
Accrued wages	32,188	29,437
Current portion of start up loan	<u>-</u>	<u>2,222</u>
Total Current Liabilities	247,049	152,023
Total Liabilities	<u>247,049</u>	<u>152,023</u>
Net Assets		
Net assets without donor restrictions	222,044	384,930
Net assets with donor restrictions	<u>41,477</u>	<u>44,650</u>
Total Net Assets	<u>263,521</u>	<u>429,580</u>
Total Liabilities and Net Assets	<u>\$ 510,570</u>	<u>\$ 581,603</u>

See accompanying notes and independent auditors' report.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Minimum Foundation Program	\$ 1,663,314	\$ -	\$ 1,663,314
Federal and State grants	125,579	-	125,579
Contributions	79,398	-	79,398
Private Grants	50,000	-	50,000
Food service reimbursement	129,992	-	129,992
Changes in net asset restrictions:			
Released from restrictions	3,173	(3,173)	-
<b>Total Revenues</b>	<b>2,051,456</b>	<b>(3,173)</b>	<b>2,048,283</b>
<b>EXPENSES</b>			
Program expenses	1,937,060	-	1,937,060
General and administrative	277,282	-	277,282
<b>Total Expenses</b>	<b>2,214,342</b>	<b>-</b>	<b>2,214,342</b>
<b>CHANGE IN NET ASSETS</b>	<b>(162,886)</b>	<b>(3,173)</b>	<b>(166,059)</b>
Net assets - beginning of year	384,930	44,650	429,580
Net assets - end of year	<u>\$ 222,044</u>	<u>\$ 41,477</u>	<u>\$ 263,521</u>

See accompanying notes and independent auditors' report.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Minimum Foundation Program	\$ 1,341,216	\$ -	\$ 1,341,216
Federal and State grants	170,942	-	170,942
Contributions	15,081	-	15,081
Private Grants	53,475	50,000	103,475
Food service reimbursement	125,781	-	125,781
Changes in net asset restrictions:			
Released from restrictions	5,350	(5,350)	-
Total Revenues	1,711,845	44,650	1,756,495
<b>EXPENSES</b>			
Program expenses	1,627,807	-	1,627,807
General and administrative	219,762	-	219,762
Total Expenses	1,847,569	-	1,847,569
<b>CHANGE IN NET ASSETS</b>	(135,724)	44,650	(91,074)
Net assets - beginning of year	520,654	-	520,654
Net assets - end of year	<u>\$ 384,930</u>	<u>\$ 44,650</u>	<u>\$ 429,580</u>

See accompanying notes and independent auditors' report.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Expenses	General & Administrative	Total
Curriculum materials and software	\$ 53,453	\$ -	\$ 53,453
Depreciation	4,745	1,186	5,931
Employee benefits	136,654	11,378	148,032
Food service	117,251	-	117,251
Insurance	27,946	6,986	34,932
Payroll taxes	78,300	5,764	84,064
Recruiting	29,687	-	29,687
Rent	12,574	3,143	15,717
Repairs and maintenance	58,199	14,550	72,749
Salaries	937,735	60,535	998,270
Supplies	8,303	11,198	19,501
Technical and professional services	229,086	142,688	371,774
Transportation	150,569	-	150,569
Travel	13,144	-	13,144
Utilities	79,414	19,854	99,268
	<u>\$ 1,937,060</u>	<u>\$ 277,282</u>	<u>\$ 2,214,342</u>

See accompanying notes and independent auditors' report.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Program Expenses</u>	<u>General &amp; Administrative</u>	<u>Total</u>
Curriculum materials and software	\$ 49,311	\$ -	\$ 49,311
Depreciation	6,312	1,578	7,890
Employee benefits	115,331	11,063	126,394
Food service	108,759	-	108,759
Insurance	23,257	5,814	29,071
Payroll taxes	64,852	5,242	70,094
Recruiting	26,446	-	26,446
Rent	5,166	1,292	6,458
Repairs and maintenance	75,246	18,811	94,057
Salaries	769,677	64,729	834,406
Supplies	18,353	10,752	29,105
Technical and professional services	175,210	90,005	265,215
Transportation	145,090	-	145,090
Travel	2,891	-	2,891
Utilities	41,906	10,476	52,382
	<u>\$ 1,627,807</u>	<u>\$ 219,762</u>	<u>\$ 1,847,569</u>

See accompanying notes and independent auditors' report.

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

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (166,059)	\$ (91,074)
<u>Adjustments to reconcile net revenues over expenses to net cash used in operating activities:</u>		
Depreciation	5,931	7,891
Decrease (Increase) in accounts receivable	25,356	(44,817)
Increase in prepaid expenses	(3,677)	(6,520)
Increase in accounts payable	1,689	22,457
Increase in accrued expenses	92,808	59,888
Increase in accrued wages	2,751	-
Total adjustments	124,858	38,899
Net cash used in operating activities	<u>(41,201)</u>	<u>(52,175)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(2,222)</u>	<u>(3,600)</u>
Net cash used in investing activities	<u>(2,222)</u>	<u>(3,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on debt	<u>-</u>	<u>(11,111)</u>
Net cash used in financing activities	<u>-</u>	<u>(11,111)</u>
DECREASE IN CASH	(43,423)	(66,886)
CASH, BEGINNING OF YEAR	<u>450,342</u>	<u>517,228</u>
CASH, END OF YEAR	<u>\$ 406,919</u>	<u>\$ 450,342</u>

See accompanying notes and independent auditors' report.

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

**1. Summary of Significant Accounting Policies**

(a) Organization

Foundation Preparatory Charter School (the School) was incorporated on December 17, 2013 as a non-profit corporation under the laws of the State of Louisiana. The school was approved as a Type 1 charter by the Orleans Parish School Board on July 22, 2014. The School first opened for students beginning with the 2015-2016 school year.

The charter contract is effective for an initial period of five years and will terminate on June 30, 2020 unless extended for a maximum of five years contingent upon the results of a review by the Orleans Parish School Board of the School's operations and compliance.

(b) Basis of Accounting

The financial statements of the School have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP) which passes through the Orleans Parish School Board. The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The School also receives federal, state and private sector funding. Federal and state funds are both passed through the Louisiana Department of Education or the Orleans Parish School Board.

(d) Net Assets

The School reports information regarding its financial position and activities according to two classes of net assets.

*Net Assets Without Donor Restrictions* are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

*Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. The School has net assets with donor restrictions of \$41,477 and \$44,650, respectively for the years ended June 30, 2019 and 2018.

(e) Cash

Cash consists of bank deposits held with financial institutions and cash on hand.

(f) Accounts and Grants Receivable

Management has determined that there were no balances recorded that were uncollectible as of years ending June 30, 2019 & 2018.

(g) Functional Expenses

The School allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other expense are allocated between programs and supporting services based on management's best estimate.

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

**1. Summary of Significant Accounting Policies (continued)**

(h) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The School files information returns in the U.S. federal jurisdiction and in various other states. The School is no longer subject to federal information return examinations by tax authorities for years before 2016.

(i) Use of Estimates

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

(j) Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 24, 2019, which is the date the financial statements were available to be issued.

(k) Recently Issued Account Standards

On August 18, 2016 the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Among other provisions, ASU 2016-14 reduces the number of classes of net asset from three to two, requires the presentation of expenses in both natural and functional classifications, and requires the disclosure of both quantitative and qualitative information about the availability of and how the organization manages its liquid available resources to meet cash needs for general expenditures within on year of the balance sheet date.

**2. Concentrations**

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. As of June 30, 2019 and 2018 there were cash balances of \$200,345 and \$206,964, respectively in excess of FDIC insured limits. The School places its deposits with high-credit, quality financial institutions and does not believe that it is exposed to any significant credit risk on uninsured amounts.

The School receives the majority of its operating revenue from the Louisiana Department of Education in the form of Minimum Foundation program funding and other federal, state, and private grants. The percentage of revenue and receivables from these sources in excess of 10% is as follows:

<u>2019</u>	<u>Revenue</u>	<u>Receivables</u>
Minimum Foundation Program	81%	N/A
Title 1A	N/A	89%

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

**2. Concentrations (continued)**

<u>2018</u>	<u>Revenue</u>	<u>Receivables</u>
Minimum Foundation Program	76%	22%
Title 1A	N/A	22%
Preschool Expansion Grant	N/A	16%
Federal Food Service	N/A	36%

**3. RSD Facilities Agreement**

In June of 2017, the School entered into an agreement with the Recovery School District (RSD) and Collegiate Academies (CA) to partake in a shared space agreement. Under this agreement RSD will provide the School with adequate building space to conduct school activities for two years.

The agreement with RSD stipulates that the School will pay 35% (not to exceed \$140,000 for the period covering July 1, 2018 to June 30, 2019) of the services procured by CA. These services are required to manage and operate the school. The School has the option to cancel the agreement at any time without any obligation to continue payments. This agreement terminated on June 30, 2019, and was not renewed for any subsequent years.

**4. Property and Equipment**

Property and equipment is presented in the financial statements on the basis of cost less allowances for depreciation. The School capitalizes all expenditures of depreciable assets where cost exceeds \$3,000 and fixed assets that in aggregate are greater than \$10,000. Depreciation is computed using the straight line method and is provided over the estimated useful lives of the assets, which is generally three to seven years.

All property and equipment purchased with Louisiana Department of Education funds are owned by the School. However, these assets would revert back to the Louisiana Department of Education should the charter not be renewed.

**5. Compensated Absences**

Employees earn paid time off based on various factors such as length of service and job title. Any unused paid time off is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2019 or 2018.

**6. Benefit Plan**

The School maintains a 401k retirement plan for its employees. All employees who meet eligibility requirements related to age and length of service are eligible to participate in the plan. Employees may elect to defer a certain percentage of their total compensation, within limits established by the Internal Revenue Code. The School matches up to 3% of employee deferrals. For the years ended June 30, 2019 and 2018 the total amounts paid by the School under the plan were \$12,947 and \$11,466 respectively.

**7. Commitments and Contingencies**

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grant will not result in any disallowed costs.

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

**8. School Start Up Loan**

The School had loans payable for startup costs with an organization that provides charter school support and business management services.

The total amount of startup costs loan was \$40,000 and began on July 1, 2015. This loan was payable in equal monthly installments of \$1,111 over 36 months. The total amount due on this loan at June 30, 2019 and 2018 was \$0 and \$2,222, respectively. This loan did not bear any interest and was paid off on September 30, 2018.

**9. Net Assets with Donor Restrictions**

For the school year ended June 30, 2018, the school received a grant of \$50,000 from New Schools Venture Funds for the benefit of PREP Community Schools. PREP Community Schools is an organization being developed as a multi-state CMO by the School's Executive Director. The School is acting as a fiduciary agent for PREP and is restricted to using the funds for support activities for PREP as detailed in the grant agreement. During the years ended June 30, 2019 and 2018, the School spent \$3,173 and \$5,350, respectively of the grant for its intended purpose. This left a net assets with donor restrictions balance of \$41,477 and \$44,650 at June 30, 2019 and 2018, respectively.

**10. Liquidity and Availability of Financial Assets**

The following reflects the School's financial assets as of the statement of financial position date within one year of the statement of financial position date.

Financial Assets at Year End:

Cash	\$ 406,919
Accounts Receivable, net	88,648
Unavailable due to donor-imposed restrictions	<u>(41,477)</u>
Financial Assets Available for General Expenditures	<u>\$ 454,090</u>

As part of the School's liquidity management, cash is kept in various checking accounts that can be accessed to meet daily needs of the organization.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO THE SCHOOL LEADER  
FOR THE PERIOD ENDED JUNE 30, 2019**

School Leader:

M. King

Salary	\$ 92,250
Benefits - Insurance	7,132
Benefits - Retirement	2,767
Reimbursements	4,625
	<u>\$ 106,774</u>

See accompanying notes and independent auditors' report.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Foundation Preparatory Charter School  
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foundation Preparatory Charter School (a non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2019.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, and others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Daigrepoint & Brian, APAC*

Daigrepoint & Brian, APAC  
Baton Rouge, LA

September 24, 2019

**FOUNDATION PREPARATORY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE PERIOD ENDED JUNE 30, 2019**

We have audited the financial statements of Foundation Preparatory Charter School, as of June 30, 2019, and for the year then ended, and have issued our report thereon dated September 24, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Summary of Auditors' Reports**

*Financial Statements*

Type of auditors' report issued:	Unqualified
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Findings - Financial Statement Audit**

There are no findings for the year ended June 30, 2019

**Questioned Costs**

There are no questioned costs for the year ended June 30, 2019

See accompanying notes and independent auditors' report.

**FOUNDATION PREPARATORY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE PERIOD ENDED JUNE 30, 2018**

**Summary of Prior Audit Findings**

There were no prior year audit findings

See accompanying notes and independent auditors' report.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

Board of Directors  
Foundation Preparatory Charter School

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Foundation Preparatory Charter School and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of Foundation Preparatory Charter School for the fiscal year ended June 30, 2019; and to determine specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514.1. Management of Foundation Preparatory Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings 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)

#### Procedure #1

We 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 on the Schedule:

- Total General Fund 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
- Nonpublic Transportation Revenue

#### Results of Procedure #1

In performing the testing on the sample of expenditures/revenues we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

### Class Size Characteristics (Schedule 2)

#### Procedure #2

We obtained a list of classes by school, school type, and class size as reported on the Schedule. We 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.

Results of Procedure #2

No discrepancies were noted between the classes reported on the Schedule and those in the roll books.

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

This purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Foundation Preparatory Charter School, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Daigrepoint & Brian, APAC

Daigrepoint & Brian  
Baton Rouge, LA

September 24, 2019

FOUNDATION PREPARATORY CHARTER SCHOOL  
NEW ORLEANS, LA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)  
As of and for the Year Ended June 30, 2019

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

This schedule includes general fund 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 – 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 Financial and Statistical Report (AFSR).

**FOUNDATION PREPARATORY CHARTER SCHOOL  
NEW ORLEANS, LA**

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

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 465,605	
Other Instructional Staff Activities	84,640	
Instructional Staff Employee Benefits	139,032	
Purchased Professional and Technical Services	92,024	
Instructional Materials and Supplies	50,908	
Instructional Equipment	8,890	
Total Teacher and Student Interaction Activities	<u>                    </u>	\$ 841,099
Pupil Support Activities	129,986	
Less: Equipment for Pupil Support Activities	<u>                    </u>	
Net Pupil Support Activities		129,986
Instructional Staff Services	78,957	
Less: Equipment for Instructional Staff Services	<u>                    </u>	
Net Instructional Staff Services		<u>78,957</u>
School Administration	370,579	
Less: Equipment for School Administration	<u>                    </u>	
Net School Administration	<u>370,579</u>	<u>370,579</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u><u>\$1,420,621</u></u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u><u>\$ 8,890</u></u>

See accompanying independent accountant's report on applying agreed-upon procedures

**FOUNDATION PREPARATORY CHARTER SCHOOL  
NEW ORLEANS, LA**

**Class Size Characteristics  
As of October 1, 2018**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	53%	20	47%	18				
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

**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.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

To the Board of Directors  
Foundation Preparatory Charter School

We have performed the procedures enumerated below, which were agreed to by the management of Foundation Preparatory Charter School and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Organization'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. Obtain the entity's written policies and procedures and report 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):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
  - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations,

and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. Note: Debt service requirements are not applicable to nonprofits.

*Exception:* While the School did not have a formal Ethics policy as detailed in step "i" above effective during the 2018-2019 school year, it was noted that the school does have sufficient policies in place as of September 21, 2019.

*Management's Response:* We have reviewed this independent accountant's report on applying agreed-upon procedures and agree with the exceptions noted. As noted above, we have updated our policies and procedures accordingly to include the best practices suggested by the Louisiana Legislative Auditor.

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

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly

select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### Collections

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

*Results:* No exceptions were noted as a result of applying these procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*Results:* No exceptions were noted as a result of applying these procedures.

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

*Results:* No exceptions were noted as a result of applying these procedures.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits

were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

*Exception:* During our procedures we noted one deposit with no evidence of it being made within one business day of receipt. No other exceptions were noted.

*Management's Response:* We have reviewed this independent accountant's report on applying agreed-upon procedures and agree with the exceptions noted. We will review our policies and procedures and update accordingly to include the best practices suggested by the Louisiana Legislative Auditor.

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

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

*Results:* No exceptions were noted as a result of applying these procedures.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Results:* No exceptions were noted as a result of applying these procedures.

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

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

*Results:* No exceptions were noted as a result of applying these procedures.

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- c) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is

complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5

employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Exception:* It was noted that there was no requirement for employees to complete one hour of ethics training for the school year ended June 30, 2019. We did observe that the school has implemented this procedure as of the 2019-2020 school year.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Exception:* It was noted that, for the 2018-2019 school year, the School did not have a procedure in place requiring employees to attest via signature that they read the School's ethics policy. We did observe that this procedure was implemented as of the 2019-2020 school year.

*Management's Response:* As of September 21, 2019, a formal written ethics policy has been implemented requiring all employees to obtain a minimum of one hour of ethics training annually. In addition, on annual basis, all employees will be required to sign the

School's code of ethics policy attesting that he or she will be held to the strict standards detailed within.

### ***Debt Service***

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

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

### ***Other***

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*Note: In the prior year, no exceptions were noted as a result of applying these procedures. Therefore, we are not required to test these procedures in the current year.*

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

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

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

*Daigrepoint & Brian, APAC*

Daigrepoint & Brian, APAC  
Baton Rouge, LA

September 24, 2019