

**ROOTED SCHOOL**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2018**

ROOTED SCHOOL  
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YEAR ENDED JUNE 30, 2018

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Rooted School  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Rooted School (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 on page one present fairly, in all material respects, the financial position of the School as of June 30, 2018, 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*

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

The schedules required by Louisiana State Law, included as Schedules 1 through 9, are not a required part 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 combining financial statements. We have applied certain limited procedures, which are described in the Independent Accountants' 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 a report dated September 12, 2018 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
September 12, 2018

**ROOTED SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 164,919
Accounts Receivable - Federal and State	<u>60,684</u>
Total Current Assets	<u>225,603</u>

Total Assets	<u><u>\$ 225,603</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 25,280
Total Current Liabilities	<u>25,280</u>

**NET ASSETS**

Unrestricted	\$ 200,323
Total Net Assets	<u>200,323</u>

Total Liabilities and Net Assets	<u><u>\$ 225,603</u></u>
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See accompanying Notes to Financial Statements.

**ROOTED SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

**REVENUES**

State and Local Public School Funding	\$ 414,975
Federal Grants	235,631
Donations	853,550
Other Income	541
Total Revenues	<u>1,504,697</u>

**EXPENSES**

Program Services	1,161,056
Management and General	261,847
Total Expenses	<u>1,422,903</u>

**CHANGE IN UNRESTRICTED NET ASSETS**

81,794

Unrestricted Net Assets - Beginning of Year

118,529

**UNRESTRICTED NET ASSETS - END OF YEAR**

\$ 200,323

*See accompanying Notes to Financial Statements.*

**ROOTED SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 81,794
Adjustments to Reconcile Change in Net Assets to Net Cash Flows Provided by Operating Activities:	
Change in Operating Assets:	
Accounts Receivable - Federal and State	(60,621)
Prepaid Expenses and Other Assets	2,082
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	16,432
Net Cash Flows Provided by Operating Activities	<u>39,687</u>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 39,687
Cash and Cash Equivalents - Beginning of Year	<u>125,232</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 <u><u>\$ 164,919</u></u>

See accompanying Notes to Financial Statements.

**ROOTED SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 469,236	\$ 141,583	\$ 610,819
Pension Expense	14,909	5,435	20,344
Other Employee Benefits	38,664	16,020	54,684
Payroll Taxes	35,438	10,223	45,661
Legal Expenses	-	5,426	5,426
Instructional Materials	235,166	-	235,166
Other Fees for Services	80,787	21,416	102,203
Advertising and Promotion Expenses	-	559	559
Office Expenses	-	5,385	5,385
Occupancy Expenses	150,290	-	150,290
Insurance Expense	-	9,589	9,589
Other Expenses	26,367	10,990	37,357
	<u>\$ 1,161,056</u>	<u>\$ 261,847</u>	<u>\$ 1,422,903</u>
Total			

See accompanying Notes to Financial Statements.

**ROOTED SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Rooted School (the School) was created as a nonprofit corporation under the laws of the State of Louisiana in 2014. The School applied to the Orleans Parish School Board to operate a Type I charter school. The Orleans Parish School Board approved the charter of the School for a period of five years commencing on July 1, 2017 and ending on June 30, 2022. The school serves eligible students in ninth through twelfth grade.

The School received approximately 43% of its total revenues from federal and state grantors.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Financial Accounting Standards Board.

**Net Asset Classes**

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the School are defined as:

Unrestricted – All resources over which the governing board has discretionary control to use in carrying on the general operations of the School.

Temporarily Restricted – These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.

Permanently Restricted – These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

ROOTED SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2018. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Compensated Absences**

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2018.

**Revenue**

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction. The statute of limitations for federal purposes is generally three years.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through September 12, 2018, the date these financial statements were available to be issued.

**ROOTED SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2 CONCENTRATION OF CREDIT RISK**

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 3 EMPLOYEE RETIREMENT**

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer and employee contributions are used to purchase annuity contracts for each participant employee. Employer matching contributions are made as a percentage of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2018 was \$20,344.

**NOTE 4 OPERATING LEASES**

The School leases its facilities under several lease agreements where the last lease expires in June of 2019. Lease expense under these agreements for the year ended June 30, 2018 was \$90,000.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	<u>\$ 90,000</u>
Total	<u><u>\$ 90,000</u></u>

**NOTE 5 CONTINGENCIES**

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

**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**

Board of Directors  
Rooted School  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rooted School (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the 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 financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Glendora, California  
September 12, 2018

ROOTED SCHOOL  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2018

There were no findings for the year ended June 30, 2018.

ROOTED SCHOOL  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2018

There were no findings for the year ended June 30, 2017 as this is the first year of operations.

**ROOTED SCHOOL  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD  
 YEAR ENDED JUNE 30, 2018**

**Agency Head: Jonathan Johnson**

Purpose	Amount
Salary	\$ 90,000
Benefits - Employer Portion of Retirement	4,229
Benefits - Employer Portion of Medical/Dental/Vision	4,359
Travel	-
Cell Phone Reimbursement	-
Reimbursements	-
Conferences	-
Benefits - FICA Medicare	10,072
Other Compensation-Security	-
Community Relations	-
Professional Development	-
Total	<u>\$ 108,660</u>

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW  
(R.S. 24:514 -- PERFORMANCE AND STATISTICAL DATA)**

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

Board of Directors  
Rooted School  
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Rooted School (the School); the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2018; 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 126, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly, based on description and nature of the revenue/expense, 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.

Findings:  
None.

Education Levels of Public School Staff (Schedule 2)

2. We 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.
3. We 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.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced all teachers to the individual's personnel file and determine if the individual's education level was accurately classified on the schedule.

Findings:

None. There were no differences noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We 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. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in Procedure 4 to the individual's personnel file and determined if the individual's experience was accurately classified on the schedule.

Findings:

None.

Public School Staff Data: Average Salaries (Schedule 5)

7. We 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 as reported on the schedule and traced all teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were accurately included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings:

None.

Class Size Characteristics (Schedule 6)

9. We 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. We then traced all classes to the October 1st roll books for those classes and determined if the class was accurately classified on the schedule.

Findings:

None.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We 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 (Any Parish School Board).

Findings:

Not applicable.

Graduation Exit Examination (GEE) (Schedule 8)

11. We 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 School.

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

iLEAP Tests (Schedule 9)

12. We 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 School.

Findings:

None.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the 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 Louisiana Legislative Auditor as a public document.



**CliftonLarsonAllen LLP**

Glendora, California  
September 12, 2018

**ROOTED SCHOOL  
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND  
CERTAIN LOCAL REVENUE SOURCES  
SCHEDULE 1  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

<b>General Fund Instructional and Equipment Expenditures</b>	<b>Column A</b>	<b>Column B</b>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	236,750	
Other Instructional Staff Activities	1,467	
Instructional Staff Employee Benefits	58,649	
Purchased Professional and Technical Services	29,335	
Instructional Materials and Supplies	207,247	
Instructional Equipment	10,875	
Total Teacher and Student Interaction Activities		\$ 544,323
Other Instructional Activities		-
Pupil Support Services	8,096	
Less: Equipment for Pupil Support Services		
Net Pupil Support Services		8,096
Instructional Staff Services	16,943	
Less: Equipment for Instructional Staff Services		
Net Instructional Staff Services		16,943
School Administration	445,661	
Less: Equipment for School Administration	(991)	
Net School Administration		444,670
Total General Fund Instructional Expenditures (Total of Column B)		\$ 1,014,032
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000-4000)		\$ 9,884
<b>Local Revenue Sources</b>		
Earnings on Investments:		
Interest on Investments		\$ -
Other Revenue from Local Sources:		
Contributions and Donations		853,550
Revenue from Judgements/Court Orders		-
Miscellaneous Revenues:		
Other Miscellaneous Revenues		541
Total Revenues from Local Sources		\$ 854,091

**ROOTED SCHOOL  
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF  
SCHEDULE 2  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

As of October 1, 2017

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree		0%		0%		0%		0%
Bachelor's Degree	1	100%	2	67%	1	33%		0%
Master's Degree		0%	1	33%	1	33%		0%
Master's Degree + 30		0%		0%	1	33%		0%
Specialist in Education		0%		0%		0%		0%
Pd.D or Ed. D		0%		0%		0%		0%
<b>Total</b>	<b>1</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

ROOTED SCHOOL  
NUMBER AND TYPE OF PUBLIC SCHOOLS  
SCHEDULE 3  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)

Type	Number
Elementary	
Middle Jr. High	
Secondary	1
Combination	
<b>Total</b>	1

**ROOTED SCHOOL**  
**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND**  
**FULLTIME CLASSROOM TEACHERS**  
**SCHEDULE 4**  
**YEAR ENDED JUNE 30, 2018**  
 (SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1				1	2
Principals		1						1
Classroom Teachers			4					4
<b>Total</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>

**ROOTED SCHOOL**  
**PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES**  
**SCHEDULE 5**  
**YEAR ENDED JUNE 30, 2018**  
 (SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)

	All Classroom Teachers	Classroom Teachers, Excluding ROTC, Rehired Retirees and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$ 59,500.00	\$ 59,500.00
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 59,500.00	\$ 59,500.00
Number of Teacher Full-time Equivalents (FTES) used in Computation of Average Salaries	4	4

**ROOTED SCHOOL  
 CLASS SIZE CHARACTERISTICS  
 SCHEDULE 6  
 YEAR ENDED JUNE 30, 2018  
 (SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High	2	100%						
High Activity Class								
Combination								
Combination Activity Class								

**ROOTED SCHOOL**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)**  
**SCHEDULE 7**  
**YEAR ENDED JUNE 30, 2018**  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)

District Achievement Level Results	English Language Arts						Mathematics					
	2018		2017		2016		2018		2017		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Science						Social Studies					
	2018		2017		2016		2018		2017		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts						Mathematics					
	2018		2017		2016		2018		2017		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Science						Social Studies					
	2018		2017		2016		2018		2017		2016	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ROOTED SCHOOL  
GRADUATION EXIT EXAM  
SCHEDULE 8  
YEAR ENDED JUNE 30, 2018**  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)

The Graduation Exit Examination is no longer administered. The Schedule is no longer applicable.

**ROOTED SCHOOL  
iLEAP TESTS  
SCHEDULE 9  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2018		2018		2018		2018	
Grade 3 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2018		2018		2018		2018	
Grade 5 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2018		2018		2018		2018	
Grade 6 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2018		2018		2018		2018	
Grade 7 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ROOTED SCHOOL  
iLEAP TESTS (CONTINUED)  
SCHEDULE 9  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Grade 3 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Grade 5 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Grade 6 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2017		2017		2017		2017	
Grade 7 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ROOTED SCHOOL  
iLEAP TESTS (CONTINUED)  
SCHEDULE 9  
YEAR ENDED JUNE 30, 2018  
(SEE INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES.)**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Grade 3 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Grade 5 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Grade 6 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2016		2016		2016		2016	
Grade 7 Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



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

Board of Directors  
Rooted School  
New Orleans, LA

We have performed the procedures enumerated below, which were agreed to by Rooted School (the School) and the Legislative Auditor, State of Louisiana, to assist the entity in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended June 30, 2018. The School's management is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### ***Written Policies and Procedures***

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1. CLA obtained Rooted School's written policies and procedures and observed if those written policies and procedures addressed each of the following financial/business functions:
  - 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 Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

- 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.

**Results:** The written policies and procedures addressed each of the above financial/business functions.

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

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- 2. CLA obtained and read 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) CLA observed that 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.
  - b) CLA observed that the minutes referenced or included financial activity relating to public funds.
  - c) **Results:** The board minutes reviewed met with a quorum at least monthly. Those minutes referenced included monthly budget-to-actual comparisons and financial activity relating to public funds.

### ***Bank Reconciliations***

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- 3. CLA 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, CLA selected all of 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). For each of the bank accounts selected, CLA obtained bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - 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

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

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

**Results:** Bank reconciliations were prepared. Bank reconciliations included 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. There were no reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

### ***Collections***

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- 5. 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).
- 6. 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.
- 7. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 8. 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.

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

- 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.

**Results:** Written documentation specifies that the persons responsible for collecting cash are covered by insurance policies. The only cash collection site is the main office of the School. Due to the low amount of cash collection activity and the limited number of office personnel at the School, the responsibilities of depositing cash and reconciling the bank accounts are performed by the same individual but are separated from the collection of cash and the recording of transactions.

Written documentation specifies that 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 selected deposit dates were traced to complete collection documentation, deposit slips, and bank statements. We traced daily collections to the deposit date on the corresponding bank statement and noted the deposits were not made within one day of collection due to the low amount of cash collection activity at the School.

Written documentation specifies that 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.

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

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- 8. CLA obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. At this time there is only one disbursement location. CLA obtained management's representation that the listing or general ledger population is complete.
- 9. CLA obtained a listing of those employees involved with non-payroll purchasing and payment functions and written policies and procedures relating to employee job duties and observed 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.

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

10. Using non-payroll disbursement transaction population from #8 above, CLA randomly selected 25 disbursements, non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and verified that the supporting documentation for each transaction demonstrated that:
- a) Observed that the disbursement matched the related original invoice/billing statement.
  - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

The sample 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 without exception. Sampled purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase. Payments for purchases were not processed without 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, as applicable.

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

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11. CLA 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. CLA obtained management's representation that the listing is complete.

**Results:** The School did not use any credit cards, bank debit cards, fuel cards, and P-cards (cards) during the year.

12. Using the listing prepared by management, CLA randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. CLA randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observed 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.
  - b) Observed no finance charges and/or late fees were assessed on the selected statements.

**Results:** N/A - The School did not use any credit cards, bank debit cards, fuel cards, and P-cards (cards) during the year.

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

13. Using the monthly statements or combined statements selected under #12 above, CLA obtained supporting documentation for all transactions for each of the cards selected.
- a) For each transaction, CLA observed the transaction was 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.
  - b) For each transaction, CLA 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) without exception.
  - c) For each transaction, CLA 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 without exception.

**Results:** N/A - The School did not use any credit cards, bank debit cards, fuel cards, and P-cards (cards) during the year.

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

14. CLA obtained the general ledger and sorted/filtered for travel reimbursements. CLA obtained management's representation that the listing or general ledger is complete. CLA randomly selected 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.

**Results:** CLA obtained the general ledger and sorted/filtered for travel reimbursements. CLA obtained management's representation that the listing or general ledger is complete. CLA obtained the entity's written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) without exception.

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

CLA observed that each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose and for meal charges, that there was also documentation of the individuals participating.

CLA 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) without exception.

CLA observed each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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

Using the listing above, CLA randomly selected the five contract "vendors" (excluding the practitioner's contract) and:

- a) Observed 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) CLA obtained/reviewed contract documentation and board minutes and observed there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).
- c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** CLA obtained the general ledger and sorted/filtered for contract payments. CLA obtained management's representation that the general ledger is complete.

For the contracts selected (solicited quotes as a best practice was used and no contracts were amended), CLA observed if there is a formal/written board approved contract that supports the services arrangement, and that no contracts were subject to the Louisiana Public Bid Law or Procurement Code.

For the contracts selected obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

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

### *Payroll and Personnel*

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16. CLA obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. CLA randomly selected five employees/officials, obtained their personnel files, and:

- a) CLA reviewed compensation paid to each employee during the fiscal period and observed payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) CLA reviewed changes made to hourly pay rates/salaries during the fiscal period and observed those changes were approved in writing and in accordance with written policy.

**Results:** CLA obtained a list of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. CLA randomly selected five employees/officials, obtained their personnel files, and noted that compensation paid to each employee during the fiscal period were made in strict accordance with the terms and conditions of the employment contract or pay rate structure. CLA noted that no changes were made to hourly pay rates/salaries during the fiscal period.

17. CLA obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, CLA randomly selected one-third of employees/officials and:

- a) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report 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.

**Results:** CLA obtained attendance and leave records and noted that there were no employees that went on leave during the year.

18. CLA obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. CLA randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed 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.

**Results:** CLA obtained a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. CLA observed that there were no employees terminated during the fiscal period. Employees or almost all teachers on annual contracts.

19. CLA obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. CLA observed that 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.

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

**Results:** CLA obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period and observed that 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.

### *Ethics*

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We did not perform procedure 20 as this is not applicable to the not-for-profit charter school.

### *Other*

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21. CLA inquired of management and determined the entity had no any misappropriations of public funds or assets.

**Results:** CLA inquired of management and determined the entity had no any misappropriations of public funds or assets.

22. CLA observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1.

**Results:** CLA inquired of management and determined the entity had no any misappropriations of public funds or assets.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. CLA 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 management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



**CliftonLarsonAllen LLP**  
Glendora CA  
September 12, 2017