

ALGIERS CHARTER SCHOOL ASSOCIATION

FINANCIAL STATEMENTS

For the Year Ending June 30, 2018

ALGIERS CHARTER SCHOOL ASSOCIATION

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ALGIERS CHARTER SCHOOL ASSOCIATION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

December 16, 2018

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Algiers Charter School Association as of June 30, 2018 and 2017, 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 schedules of expenditures of federal awards, as required by the Uniform Guidance, financial position by school, activities by school, and functional expenses by school, and compensation, benefits and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2018, on our consideration of Algiers Charter School Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Algiers Charter School Association's internal control over financial reporting and compliance.

Hienz & Macaluso, LLC

Metairie, LA

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,098,945	\$ 7,392,122
Investments	8,113,446	4,004,004
Intergovernmental receivables	2,078,919	2,776,915
Other receivables	39,361	76,935
Prepaid expenses	260,844	165,087
Due from pooled cash, net	-	-
Total Current Assets	12,591,515	14,415,063
Other Assets:		
Deposits	94,191	98,572
Total Other Assets	94,191	98,572
Noncurrent Assets:		
Property and equipment (net of accumulated depreciation)	497,916	492,351
Total Assets	\$ 13,183,622	\$ 15,005,986
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,728,217	\$ 3,005,476
Due to other agencies	262,539	324,147
Deferred revenues	285,170	-
Due to pooled cash, net	-	-
Total Current Liabilities	2,275,926	3,329,623
Noncurrent Liabilities:		
Note payable	-	-
Total Liabilities	2,275,926	3,329,623
Net Assets:		
Reserved for capital assets	497,916	492,351
Restricted	2,266,291	2,324,749
Unrestricted	8,143,489	8,859,263
Total Net Assets	10,907,696	11,676,363
Total Liabilities and Net Assets	\$ 13,183,622	\$ 15,005,986

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS		
Public Support and Other Revenues		
Minimum foundation program	\$ 30,945,335	\$ 36,090,663
Restricted grants in aid - Federal and State	8,613,931	8,779,183
Miscellaneous revenue	387,016	342,454
Donations - unrestricted	27,985	143,986
Unrestricted grants in aid - State	<u>20,489</u>	<u>38,031</u>
 Total Public Support and Other Revenues	 <u>39,994,756</u>	 <u>45,394,317</u>
 Expenses		
Program services:		
Instructional	34,026,857	37,452,320
Supporting services:		
Management and general	<u>6,736,566</u>	<u>7,529,331</u>
 Total Expenses	 <u>40,763,423</u>	 <u>44,981,651</u>
 Increase/(Decrease) in Unrestricted Net Assets	 (768,667)	 412,666
 Net assets at beginning of fiscal year	 <u>11,676,363</u>	 <u>11,263,697</u>
 Net assets at end of fiscal year	 <u>\$ 10,907,696</u>	 <u>\$ 11,676,363</u>

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from Operating Activities:		
Increase/(decrease) in net assets	\$ (768,667)	\$ 412,666
Adjustments to reconcile increase in net assets to net		
Cash provided/(used) by operating activities		
Depreciation	50,221	50,675
Loss on disposal of capital assets	3,360	-
(Increase)/decrease in assets:		
Accounts receivable	697,996	(29,121)
Other receivables	37,574	29,383
Prepaid expense	(95,757)	234,333
Deposits	4,381	7,615
Increase/(decrease) in liabilities:		
Accounts payable and other accrued expenses	(1,277,259)	(1,561,092)
Deferred revenues	285,170	(2,386)
Due to pooled cash, net	-	-
Due to other funds	(61,608)	(173,135)
Net cash provided/(used) by operating activities	<u>(1,124,589)</u>	<u>(1,031,062)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(4,109,442)	(4,000,000)
Purchase of capital assets	(59,146)	(268,528)
Net cash provided/(used) by investing activities	<u>(4,168,588)</u>	<u>(4,268,528)</u>
Cash Flows from Financing Activities:		
Proceeds from note payable	-	-
Payments on note payable	-	-
Net cash provided/(used) by investing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(5,293,177)	(5,299,590)
Cash and cash equivalents, Beginning of Year	<u>7,392,122</u>	<u>12,691,712</u>
Cash and cash equivalents, End of Year	<u><u>\$ 2,098,945</u></u>	<u><u>\$ 7,392,122</u></u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017(Totals Only)**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>Total Expenses</u>	<u>2017</u>
	<u>Instructional</u>	<u>Management and General</u>		
Expenses:				
Salaries and benefits	\$ 25,733,537	\$ 2,214,912	\$ 27,948,449	\$ 30,755,206
Professional services	796,185	1,018,470	1,814,655	1,611,065
Travel	158,315	4,417	162,732	184,453
Supplies	1,361,136	112,538	1,473,674	1,731,458
Utilities	33,687	729,863	763,550	852,854
Rent	106,213	187,353	293,566	274,667
Insurance	138,042	810,915	948,957	666,572
Communication	173,669	160,831	334,500	289,310
Repairs and maintenance	39,954	1,358,490	1,398,444	1,739,044
Transportation	2,666,691	-	2,666,691	3,300,299
Food service management	1,802,349	-	1,802,349	2,206,559
Depreciation Expense	6,737	43,484	50,221	50,675
Other	1,010,342	95,293	1,105,635	1,319,489
	<u>\$ 34,026,857</u>	<u>\$ 6,736,566</u>	<u>\$ 40,763,423</u>	<u>\$ 44,981,651</u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Algiers Charter School Association (“ACSA”) was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education (“BESE”) has granted ACSA six (6) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and Lord Beaconsfield Landry-O. Perry Walker College and Career Preparatory High School. The original charters ending June 30, 2011 and June 30, 2012 were renewed as discussed below. The ACSA Board of Directors governs all ACSA schools.

Several of the ACSA schools were under charter renewal consideration based upon academic, financial, and compliance requirements. Based on the results, BESE granted new charter terms ranging 3-10 years for the following Type 5 schools operated by ACSA:

- Martin Behrman Academy of Creative Arts and Sciences 7/1/2015 – 6/30/2022
- Dwight D. Eisenhower Academy of Global Studies 7/1/2015 – 6/30/2018
- William J. Fischer Accelerated Academy 7/1/2014 – 6/30/2019
- McDonogh #32 Literacy Academy 7/1/2014 – 6/30/2019
- Lord Beaconsfield Landry-O. Perry Walker College
and Career Preparatory High School 7/1/2014 – 6/30/2024
- Algiers Technology Academy 7/1/2015 – 6/30/2017

Basis of Accounting

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

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Income Tax Status

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

Public Support and Revenue

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

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net asset released from restrictions.

Deferred Revenue

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

Estimates

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

Cash and Cash Equivalents

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

Basis of Presentation

ACSA follows the provisions which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Permanently Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA.

Property and Equipment

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

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

ACSA had the following cash as of June 30, 2018 and June 30, 2017:

	2018	2017
Demand Deposits	\$ 2,098,945	\$ 7,392,122
	\$ 2,098,945	\$ 7,392,122

Custodial credit risk is the risk that, in the event of a bank failure, ACSA’s deposits might not be recovered. At June 30, 2018 and 2017, ACSA’s demand deposit bank balances of \$2,756,284 and \$7,610,717 respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA’s agent in ACSA’s name.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2018 are as follows:

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
School Support Center	(10,199,694)	School Support Center	21,958
ATA school fund	-	ATA	-
ATA special revenue fund	-	ATA SR	-
Behrman	-	Behrman	2,586,784
Behrman SR	(124,200)	Behrman SR	390,876
Eisenhower	(5,167)	Eisenhower	-
Eisenhower SR	(56,162)	Eisenhower SR	567,194
Fischer	-	Fischer	974,039
Fischer SR	(191,580)	Fischer SR	474,049
McDonogh	-	McDonogh	143,096
McDonogh SR	(87,035)	McDonogh SR	559,945
Walker	-	Walker	4,648,861
Walker SR	(238,286)	Walker SR	535,322
 Total	 <u><u>\$ (10,902,124)</u></u>	 Total	 <u><u>\$ 10,902,124</u></u>

SR - Special Revenue Fund

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

NOTE 4 – INTERFUND TRANSFERS

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 4 – INTERFUND TRANSFERS (CONTINUED)

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
SSC allocation from schools	\$ 3,525,150	ATA allocation to SSC	\$ -
SSC	-	Behrman allocation to SSC	(377,514)
ATA	1,278,964	Eisenhower allocation to SSC	(2,015,094)
Behrman	49,439	Fischer allocation to SSC	(377,514)
Eisenhower	51,552	McDonogh allocation to SSC	(377,514)
Fischer	27,195	Walker allocation to SSC	(377,514)
McDonogh	39,934	SSC	(772,211)
Walker	67,261	ATA	(506,753)
		Behrman	(49,439)
		Eisenhower	(51,552)
		Fischer	(27,195)
		McDonogh	(39,934)
		Walker	(67,261)
 Total	 <u>\$ 5,039,495</u>	 Total	 <u>\$ (5,039,495)</u>

SSC-School Support Center

The above interfund transfers are resulting from the normal course of ACSA's operations.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Furniture, fixtures, and equipment	\$ 3,508,225	\$ 3,727,363
Buildings & building improvements	525,776	516,528
Less: accumulated depreciation	<u>(3,536,085)</u>	<u>(3,751,540)</u>
 Property and equipment, net	 <u>\$ 497,916</u>	 <u>\$ 492,351</u>

Depreciation expense for ACSA for the years ended June 30, 2018 and 2017 was \$50,221 and \$50,675, respectively. During the years ended June 30, 2018 and 2017, ACSA acquired \$59,146 and \$268,528 of assets, respectively.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 6 – RETIREMENT PLANS

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

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

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

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

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

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

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	26.6%

ACSA’s contributions for the years ended June 30, 2018 and 2017 were \$5,229,737 and \$5,513,352, respectively.

NOTE 7 – CONTINGENCIES

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – UNCERTAIN INCOME TAXES

On July 1, 2009, ACSA adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities. ACSA's 2014 through 2016 tax returns have been filed appropriately. As of December 16, 2018, the School has been approved for an extension to file their 2017 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2014 - 2016. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NOTE 10 – LEASES

ACSA leases its office space at 3520 General DeGaulle Drive, New Orleans, under the terms of an operating lease expiring July 31, 2019.

Total rent expense amounted to \$155,301 and \$165,704 for the years ended June 30, 2018 and June 30, 2017, respectively.

The future minimum lease payments under the above lease are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2019	\$ 169,323
June 30, 2020	14,258
	\$ 183,581

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 16, 2018, the date the financial statements were available to be issued.

Due to academic performance, the Orleans Parish School Board voted to not renew the charters and to thereby close, not transfer, William J. Fischer Accelerated Academy and McDonogh #32 Literacy Academy at the conclusion of the 2018-2019 school year.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 – DEFICIT IN NET ASSETS

At June 30, 2017, Algiers Technology Academy (ATA) had a deficit of \$972,234 in its General Fund due to under-enrollment and financial decisions of prior management.

At the end of the 2016 fiscal year, ACSA hired a new management team that committed to ensure financial sustainability across the organization and as a result ACSA relinquished the charter for ATA effective June 30, 2017 based on guidance from the Recovery School District.

The deficit at ATA was absorbed with the net assets of the School Support Center during the fiscal year ended June 30, 2018.

SUPPLEMENTAL INFORMATION

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULES OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2018 AND 2017(Totals Only)

ASSETS	2018						
	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
Current Assets:							
Cash and cash equivalents	\$ 1,836,406	\$ -	\$ 211,479	\$ 1,604	\$ 13,762	\$ 8,145	\$ 27,549
Investments	8,113,446	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables	(8,084)	-	-	-	-	1,587	21,521
Prepaid expenses	157,891	-	30,028	-	10,724	12,869	49,332
Due from pooled cash	-	-	2,586,784	-	974,039	143,096	4,648,861
Total Current Assets	10,099,659	-	2,828,291	1,604	998,525	165,697	4,747,263
Other Assets:							
Deposits	11,237	-	16,492	14,661	4,861	13,887	33,053
Total Other Assets	11,237	-	16,492	14,661	4,861	13,887	33,053
Non-Current Assets:							
Property and equipment (net of accumulated depreciation)	452	-	-	38,043	4,712	-	315,559
Total Assets	\$ 10,111,348	\$ -	\$ 2,844,783	\$ 54,308	\$ 1,008,098	\$ 179,584	\$ 5,095,875
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts payable and accrued expenses	\$ (228,925)	\$ -	\$ 214,272	\$ 163,686	\$ (146,182)	\$ (122,208)	\$ 152,634
Due to other governments	-	-	-	-	-	-	-
Due to other agencies	-	-	211,479	1,604	13,762	8,145	27,549
Deferred revenues	261,000	-	-	-	-	100	24,070
Due to pooled cash	10,199,693	-	-	5,167	-	-	-
Total Current Liabilities	10,231,768	-	425,751	170,457	(132,420)	(113,963)	204,253
Non-Current Liabilities:							
Note payable	-	-	-	-	-	-	-
Total Liabilities	10,231,768	-	425,751	170,457	(132,420)	(113,963)	204,253
Net Assets:							
Reserved for capital assets	452	-	-	38,043	4,712	-	315,559
Restricted	-	-	-	-	-	-	-
Unrestricted	(120,872)	-	2,419,032	(154,192)	1,135,806	293,547	4,576,063
Total Net Assets	(120,420)	-	2,419,032	(116,149)	1,140,518	293,547	4,891,622
Total Liabilities and Net Assets	\$ 10,111,348	\$ -	\$ 2,844,783	\$ 54,308	\$ 1,008,098	\$ 179,584	\$ 5,095,875

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULES OF FINANCIAL POSITION BY SCHOOL (Continued)
JUNE 30, 2018 AND 2017 (Totals Only)

ASSETS	2018							2017		
	School Support Center	Special Revenue Funds					Interfund Eliminations	Total	Total	
		ATA	Behrman	Eisenhower	Fischer	McDonogh				Walker
Current Assets:										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,098,945	\$ 7,392,122	
Investments	-	-	-	-	-	-	-	8,113,446	4,004,004	
Intergovernmental receivables	-	-	509,597	549,582	291,450	230,039	498,251	2,078,919	2,776,915	
Other receivables	-	-	4,301	1	3,595	-	16,440	39,361	76,935	
Prepaid expenses	-	-	-	-	-	-	-	260,844	165,087	
Due from pooled cash	21,958	-	390,876	567,194	474,049	559,945	535,322	(10,902,124)	-	
Total Current Assets	21,958	-	904,774	1,116,777	769,094	789,984	1,050,013	(10,902,124)	\$ 12,591,515	14,415,063
Other Assets:										
Deposits	-	-	-	-	-	-	-	94,191	98,572	
Total Other Assets	-	-	-	-	-	-	-	94,191	98,572	
Non-Current Assets:										
Property and equipment (net of accumulated depreciation)	-	-	8,845	70,911	11,282	30,346	17,766	-	497,916	492,351
Total Assets	\$ 21,958	\$ -	\$ 913,619	\$ 1,187,688	\$ 780,376	\$ 820,330	\$ 1,067,779	\$ (10,902,124)	\$ 13,183,622	\$ 15,005,986
LIABILITIES AND NET ASSETS										
Current Liabilities:										
Accounts payable and accrued expenses	\$ (3,427)	\$ -	\$ 271,524	\$ 438,488	\$ 321,628	\$ 341,579	\$ 325,148	\$ -	\$ 1,728,217	\$ 3,005,476
Due to other agencies	-	-	-	-	-	-	-	-	262,539	324,147
Unearned revenues	-	-	-	-	-	-	-	-	285,170	-
Due to pooled cash	1	-	124,200	56,162	191,580	87,035	238,286	(10,902,124)	-	-
Total Current Liabilities	(3,426)	-	395,724	494,650	513,208	428,614	563,434	(10,902,124)	2,275,926	3,329,623
Non-Current Liabilities:										
Note payable	-	-	-	-	-	-	-	-	-	-
Total Liabilities	(3,426)	-	395,724	494,650	513,208	428,614	563,434	(10,902,124)	2,275,926	3,329,623
Net Assets:										
Reserved for capital assets	-	-	8,845	70,911	11,282	30,346	17,766	-	497,916	492,351
Restricted	31,279	-	509,050	622,127	255,886	361,370	486,579	-	2,266,291	2,324,749
Unrestricted	(5,895)	-	-	-	-	-	-	-	8,143,489	8,859,263
Total Net Assets	25,384	-	517,895	693,038	267,168	391,716	504,345	-	10,907,696	11,676,363
Total Liabilities and Net Assets	\$ 21,958	\$ -	\$ 913,619	\$ 1,187,688	\$ 780,376	\$ 820,330	\$ 1,067,779	\$ (10,902,124)	\$ 13,183,622	\$ 15,005,986

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULES OF ACTIVITIES BY SCHOOL
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017 (Totals Only)**

	2018						
	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
UNRESTRICTED NET ASSETS							
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,904	\$ 18,585
Restricted grants in aid - Federal and State	-	-	-	-	-	-	108,026
Donations	(23,602)	-	5,933	-	-	4,000	41,654
Minimum Foundation Program	-	-	6,201,948	6,519,965	3,186,666	3,313,807	11,684,710
Miscellaneous revenue	3,808,386	935,975	69,618	84,475	40,512	59,891	84,665
Total Public Support and Other Revenues	3,784,784	935,975	6,277,499	6,604,440	3,227,178	3,379,602	11,937,640
Expenses							
Program Services:							
Instructional	1,204,956	-	5,102,646	7,130,962	3,145,040	3,214,506	9,630,281
Supporting services:							
Management and general	3,454,840	7,273	658,787	952,779	455,164	430,958	1,505,654
Total Expenses	4,659,796	7,273	5,761,433	8,083,741	3,600,204	3,645,464	11,135,935
Increase/(Decrease) in unrestricted net assets	(875,012)	928,702	516,066	(1,479,301)	(373,026)	(265,862)	801,705
Net assets at beginning of fiscal year	754,592	(928,702)	1,902,966	1,363,152	1,513,544	559,409	4,089,917
Net assets at end of fiscal year	\$ (120,420)	\$ -	\$ 2,419,032	\$ (116,149)	\$ 1,140,518	\$ 293,547	\$ 4,891,622

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULES OF ACTIVITIES BY SCHOOL (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017(Totals Only)**

	2018								2017	
	Special Revenue Funds							Interfund Eliminations	Total	Total
	School Support Center	ATA	Behman	Eisenhower	Fischer	McDonogh	Walker			
UNRESTRICTED NET ASSETS										
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,489	\$ 38,031
Restricted grants in aid - Federal and State	-	-	1,902,774	1,950,161	1,241,319	1,269,921	2,141,730	-	8,613,931	8,779,183
Donations	-	-	-	-	-	-	-	-	27,985	143,986
Minimum Foundation Program	-	-	7,648	7,764	4,874	5,454	12,499	-	30,945,335	36,090,663
Miscellaneous revenue	-	342,989	-	-	-	-	-	(5,039,495)	387,016	342,454
										-
Total Public Support and Other Revenues	-	342,989	1,910,422	1,957,925	1,246,193	1,275,375	2,154,229	(5,039,495)	39,994,756	45,394,317
Expenses										
Program Services:										
Instructional	5,895	-	1,767,244	1,778,698	1,160,052	1,198,176	1,936,034	(3,247,633)	34,026,857	37,452,320
Supporting services:										
Management and general	-	499,480	113,784	133,804	75,207	74,211	166,487	(1,791,862)	6,736,566	7,529,331
Total Expenses	5,895	499,480	1,881,028	1,912,502	1,235,259	1,272,387	2,102,521	(5,039,495)	40,763,423	44,981,651
Increase/(Decrease) in										
unrestricted net assets	(5,895)	(156,491)	29,394	45,423	10,934	2,988	51,708	-	(768,667)	412,666
Net assets at beginning of fiscal year	31,279	156,491	488,501	647,615	256,234	388,728	452,637	-	11,676,363	11,263,697
Net assets at end of fiscal year	\$ 25,384	\$ -	\$ 517,895	\$ 693,038	\$ 267,168	\$ 391,716	\$ 504,345	\$ -	\$ 10,907,696	\$ 11,676,363

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULES OF FUNCTIONAL EXPENSES BY SCHOOL
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017(Totals Only)**

2018

Expenses	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
Salaries and benefits	\$ 2,608,307	\$ -	\$ 3,829,232	\$ 4,130,950	\$ 2,331,579	\$ 2,307,928	\$ 7,276,104
Professional services	416,046	-	542,517	2,480,500	451,779	441,755	776,335
Travel	23,895	-	7,839	4,378	2,937	3,641	55,907
Supplies	147,322	-	287,328	327,659	81,319	73,744	211,632
Utilities	16,445	-	117,414	81,147	83,302	88,205	343,350
Rent	164,260	-	1,376	35,067	6,480	4,574	81,809
Insurance	276,993	-	149,804	107,551	88,122	65,296	251,842
Communication	151,991	-	33,861	31,400	22,459	21,020	69,769
Repairs and maintenance	13,141	-	282,857	191,824	149,631	151,997	436,454
Transportation	375	-	334,448	504,915	291,107	386,357	1,114,615
Food service management	-	-	-	-	-	-	-
Depreciation Expense	5,430	-	-	2,356	809	-	28,241
Other	835,591	7,273	174,757	185,994	90,680	100,947	489,877
Total Expenses	\$ 4,659,796	\$ 7,273	\$ 5,761,433	\$ 8,083,741	\$ 3,600,204	\$ 3,645,464	\$ 11,135,935

2017

2017

Expenses	Special Revenue Funds							Interfund Elimination	Total	Total
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker			
Salaries and benefits	\$ 5,870	\$ -	\$ 1,241,141	\$ 1,229,361	\$ 761,720	\$ 842,953	\$ 1,383,304	\$ -	\$ 27,948,449	\$ 30,755,206
Professional services	-	-	11,214	112,755	37,008	41,024	28,872	(3,525,150)	1,814,655	1,611,065
Travel	25	-	11,490	13,538	13,278	11,366	14,438	-	162,732	184,453
Supplies	-	-	106,038	33,463	81,286	84,534	39,349	-	1,473,674	1,731,458
Utilities	-	-	5,099	3,245	6,236	6,172	12,935	-	763,550	852,854
Rent	-	-	-	-	-	-	-	-	293,566	274,667
Insurance	-	-	1,765	1,640	1,104	1,196	3,644	-	948,957	666,572
Communication	-	-	-	-	-	-	4,000	-	334,500	289,310
Repairs and maintenance	-	-	31,986	38,868	37,242	20,328	44,116	-	1,398,444	1,739,044
Transportation	-	-	10,679	367	6,779	1,087	15,962	-	2,666,691	3,300,299
Food service management	-	-	410,893	423,170	261,153	219,696	487,437	-	1,802,349	2,206,559
Depreciation Expense	-	-	1,284	4,543	2,258	4,097	1,203	-	50,221	50,675
Other	-	499,480	49,439	51,552	27,195	39,934	67,261	(1,514,345)	1,105,635	1,319,489
Total Expenses	\$ 5,895	\$ 499,480	\$ 1,881,028	\$ 1,912,502	\$ 1,235,259	\$ 1,272,387	\$ 2,102,521	(5,039,495)	\$ 40,763,423	\$ 44,981,651

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head: Rene Lewis-Carter

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Reimbursements	174
Benefits - insurance	8,874
Benefits - retirement	<u>46,550</u>
	<u><u>\$ 230,598</u></u>



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

December 16, 2018

Board of Directors of
Algiers Charter School Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 December 16, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

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

Hienz & Macaluso, LLC
Metairie, LA

SINGLE AUDIT SECTION



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

December 16, 2018

Board of Directors of
Algiers Charter School Association

Report on Compliance for Each Major Federal Program

We have audited Algiers Charter School Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Algiers Charter School Association's major federal programs for the year ended June 30, 2018. Algiers Charter School Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Algiers Charter School Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Hienz & Macaluso, LLC

Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed through State Department of Education		
Education for Homeless Children and Youth	84.196	\$ 8,711
Title I, Part A Cluster		
ESEA of 1965, Title I, Part A	84.010	2,676,583
Total Title I, Part A Cluster		<u>2,676,583</u>
School Improvement Grants Cluster		
ESEA of 1965, Title I, SIP 1003(g)	84.377	358,070
Total School Improvement Grants Cluster		<u>358,070</u>
Special Education Cluster (IDEA)		
IDEA, Part B	84.027	868,596
IDEA, Pre-K	84.173	29,933
Total Special Education Cluster (IDEA)		<u>898,529</u>
ESEA of 1965, Title II, Part A	84.367	227,820
Special Education - State Personnel Development	84.323	7,417
Striving Readers/Comprehensive Literacy Development	84.371	2,946
Student Support and Academic Enrichment Program	84.424	62,107
Career and Technical Education - Basic Grants to States	84.048	31,296
English Language Acquisition Grants, Title III	84.365	32,405
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>4,305,884</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
Child Nutrition Cluster		
School Breakfast Program	10.553	315,271
National School Lunch Program	10.555	1,930,930
Summer Food Service Program for Children	10.559	15,555
Total Child Nutrition Cluster		<u>2,261,756</u>
Child and Adult Care Food Program	10.558	112,929
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>2,374,685</u>
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
LA 4 - TANF	93.558	328,542
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>328,542</u>
<u>Other Programs</u>		
Passed-Through Alvin Callender Air Force Base:		
Reserve Officer Training Corp. (ROTC)	99.999	198,190
TOTAL OTHER PROGRAMS		<u>198,190</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 7,207,301</u>

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

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

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

2. ACCRUED AND DEFERRED REIMBURSEMENT

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

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2018.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Algiers Charter School Association.
2. No control deficiencies were disclosed during the audit of the financial statements of Algiers Charter School Association
3. No instances of noncompliance material to the financial statements of Algiers Charter School Association were noted.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance*.
5. The auditor's report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unmodified opinion.
6. The auditor's report disclosed no findings that were required to be reported in accordance with the Uniform Guidance.
7. A management letter was not issued for the year ended June 30, 2018.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
Supporting Effective Instruction State Grants	84.367
Temporary Assistance for Needy Families	93.558
9. The threshold for distinguishing between type A and type B programs was \$750,000.
10. Algiers Charter School Association was determined to be a low-risk auditee.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

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

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

D. MANAGEMENT LETTER

Not applicable.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

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

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

SECTION III – MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2017.

PERFORMANCE STATISTICAL DATA



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

December 16, 2018

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

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

The procedures and associated findings are as follows:

PROCEDURES AND FINDINGS

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

- ❖ Total General Fund Instructional Expenditures;
- ❖ Total General Fund Equipment Expenditures;
- ❖ Total Local Taxation Revenues;
- ❖ Total Local Earnings on Investment in Real Property;
- ❖ Total State Revenue in Lieu of Taxes;
- ❖ Nonpublic Textbook Revenue; and
- ❖ Nonpublic Transportation Revenue.

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

Class Size Characteristics (Schedule 2)

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

No differences were noted.

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

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

No differences were noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

No differences were noted.

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

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

Hienz & Macaluso, LLC

Metairie, LA

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	9,747,661	
Other Instructional Staff Activities	1,359,937	
Instructional Staff Employee Benefits	3,884,732	
Purchased Professional and Technical Services	3,063,651	
Instructional Materials and Supplies	824,281	
Instructional Equipment	25,317	
Total Teacher and Student Interaction Activities		<u>18,905,579</u>
Other Instructional Activities		619,716
Pupil Support Services	2,376,277	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		<u>2,376,277</u>
Instructional Staff Services	1,105,233	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		<u>1,105,233</u>
School Administration	2,858,092	
Less: Equipment for School Administration	(41,801)	
Net School Administration		<u>2,816,291</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>25,823,096</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ -</u>

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

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Not applicable.

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

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

Sales Taxes

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

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

Class Size Characteristics
 As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	42%	112	84%	259	25%	40	9%	8
Elementary Activity Class	3%	8	4%	11	3%	4	3%	3
Middle High	0%	0	0%	0	0%	0	0%	0
Middle High Activity Class	0%	0	0%	0	0%	0	0%	0
High	48%	129	11%	34	67%	107	78%	70
High Activity Class	7%	20	2%	6	6%	9	10%	9
Combination								
Combination Activity Class								

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