

**THE MAXINE GIARDINA
CHARTER SCHOOL, INC.**

Audit of Financial Statements

June 30, 2016



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Independent Auditor's Report

To the Board of Directors
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Maxine Giardina Charter School, Inc. (the School), which comprise the statement of financial position as of June 30, 2016, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 the School as of June 30, 2016, 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 financial statements as a whole. The schedule of governing board and the schedule of compensation, benefits, and other payments to 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 performance and statistical data, included as schedules 1 through 9, is not a required part of the basic financial statements, but is supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the independent accountant's report on applying agreed-upon procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016, 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 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.



A Professional Accounting Corporation

Covington, LA
December 6, 2016

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Statement of Financial Position
June 30, 2016

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 722,444
Grants Receivable	16,087
Other Current Assets	<u>7,953</u>
Total Current Assets	<u>746,484</u>
Fixed Assets	
Building	635,945
Machinery and Equipment	227,197
Improvements	126,125
Accumulated Depreciation	<u>(590,312)</u>
Total Fixed Assets, Net	<u>398,955</u>
Total Assets	<u><u>\$ 1,145,439</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 22,936
Accrued Liabilities	96,322
Cash Overdraft	<u>14,434</u>
Total Current Liabilities	<u>133,692</u>
Net Assets	
Unrestricted	<u>1,011,747</u>
Total Net Assets	<u>1,011,747</u>
Total Liabilities and Net Assets	<u><u>\$ 1,145,439</u></u>

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Statement of Activities
For the Year Ended June 30, 2016

	Unrestricted
<hr/>	
Revenue, Grants, and Other Support	
State Public School Funding	\$ 1,182,595
Other Income and Gains, Net	82,263
Federal Grant Revenue	56,001
Donations	41,757
Other Grant Revenue	12,776
	<hr/>
Total Revenue, Grants, and Other Support	1,375,392
	<hr/>
Expenses	
Program Services	
Regular Education Programs	767,627
School Administration	275,199
Special Education Programs	105,285
Depreciation	80,021
Operation and Maintenance of Plant Services	56,696
Other Instructional Programs	34,655
Pupil Support Services	8,312
Instructional Staff Services	3,302
Management and General	
General Administration	35,219
Business Services	1,540
	<hr/>
Total Expenses	1,367,856
	<hr/>
Change in Net Assets	7,536
	<hr/>
Net Assets, Beginning of Year	1,004,211
	<hr/>
Net Assets, End of Year	\$ 1,011,747
	<hr/> <hr/>

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash Flows from Operating Activities	
Change in Net Assets	\$ 7,536
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation	80,021
(Increase) Decrease in:	
Grants Receivable	(16,087)
Other Current Assets	(1,321)
Increase (Decrease) in:	
Accounts Payable	825
Accrued Liabilities	247
Cash Overdraft	14,434
	<u>78,119</u>
Total Adjustments	<u>78,119</u>
Net Cash Provided by Operating Activities	<u>85,655</u>
Cash Flows from Investing Activities	
Fixed Asset Purchases	<u>(29,390)</u>
Net Cash Used in Investing Activities	<u>(29,390)</u>
Net Change in Cash and Cash Equivalents	56,265
Cash and Cash Equivalents, Beginning of Year	<u>666,179</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 722,444</u></u>

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Maxine Giardina Charter School, Inc., d/b/a The Max Charter School (the School), was created as a non-profit corporation under the laws of the State of Louisiana (the State) on June 27, 2006. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 2 charter school. On June 6, 2007, BESE approved the charter of the School. The charter was granted for an initial term of 3 years. The School was granted a 2-year extension, an additional 3-year extension, and most recently another 3-year extension of the contract pursuant to Louisiana Revised Statutes (LRS) 17:3992 and 3998, which expires in 2018.

The School serves eligible students in first through eighth grade. The School specializes in instruction for students with dyslexia and other related learning disabilities. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Financial Statement Presentation

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). 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. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

Basis of Accounting

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

Revenues

The School's primary source of funding is through the State Public School Fund. For the year ended June 30, 2016, the School received \$1,182,595 from the State based on eligible students in attendance paid on a monthly basis. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses occur.

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation (Continued)

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

Improvements	4 - 5 Years
Machinery and Equipment	5 - 10 Years
Building	15 Years

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

Statement of Cash Flows

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The School received 87% of its revenues for the year ended June 30, 2016, from the State of Louisiana, subject to its charter school contract with the State.

Compensated Absences

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick/personal pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over all unused sick/personal days from year to year. The liability at June 30, 2016 is considered to be immaterial and is not recorded in the accompanying financial statements.

Note 2. Fixed Assets

Depreciation expense for the year ended June 30, 2016, was \$80,021.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency. Assets purchased with private funds remain the property of the School.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 3. Accrued Liabilities

As of June 30, 2016, the School had recorded accrued liabilities of \$96,322. This amount represents teachers' accrued salaries and benefits.

Note 4. Retirement Plans

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (the TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered and controlled by a separate board of trustees. Pertinent information relative to the plan follows.

Plan Description

The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. At June 30, 2015, the TRSL was 62.5% funded. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ended June 30, 2016, the employer contribution rate was 26.30%. The employer contribution rate for the years ended June 30, 2015 and 2014, was 28.00% and 27.20%, respectively. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the plan for the three years ended June 30, 2016, 2015, and 2014, were \$186,775, \$168,740, and \$173,671, respectively, which are equal to the required contributions for each year.

Note 5. Operating Lease

The School leases the 1.93 acres of land on which the School is located from Nicholls State University under an operating lease through July 2015. The School pays rent in the sum of \$5 per year on the lease. In August 2015, the lease with Nicholls State University was renewed through July 2018.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 6. Uncertain Income Taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in general administration expenses.

Note 7. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 6, 2016, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Maxine Giardina Charter School, Inc. (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 that relate to the accompanying schedules of supplementary information 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 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
 - Nonpublic Transportation Revenue

Findings:

None

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McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

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 the School's 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 principals, assistant principals, and full time teachers by classification as of October 1st and as reported on the schedule. We traced each of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None

Number and Type of Public Schools (Schedule 3)

5. 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 I 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 principals, assistant principals, and full time teachers 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 properly classified on the schedule.

Findings:

None

Public School Staff Data (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 equivalents as reported on the schedule and traced each to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.

8. We recalculated the average salaries and full time equivalents reported on 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 a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

Graduation Exit Exam (Schedule 8)

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

iLEAP Test Results (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 on the schedule by the School.

Findings:

None

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, 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.

This report is intended solely for the use of the 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
December 6, 2016

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2016

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

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

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

Schedule 5 - Public School Staff Data

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

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - Graduation Exit Exam

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2016

Schedule 9 - iLEAP Test Results

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year ended June 30, 2016

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 454,792	
Other Instructional Staff Salaries	103,225	
Instructional Staff Employee Benefits	257,802	
Purchased Professional and Technical Services	2,078	
Instructional Materials and Supplies	15,248	
Instructional Equipment	15,960	
	<hr/>	
Total Teacher and Student Interaction Activities		\$ 849,105
Other Instructional Activities		2,461
Pupil Support Services	8,312	
Less: Equipment for Pupil Support Services	<hr/> -	
Net Pupil Support Services		8,312
Instructional Staff Services	3,302	
Less: Equipment for Instructional Staff Services	<hr/> -	
Net Instructional Staff Services		3,302
School Administration	275,199	
Less: Equipment for School Administration	<hr/> -	
Net School Administration		275,199
Total General Fund Instructional Expenditures		<u>\$ 1,138,379</u>
Total General Fund Equipment Expenditures		<u>\$ 15,960</u>

Certain Local Revenue Sources

Local Taxation Revenue

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

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	<hr/> -
Total Local Earnings on Investment in Real Property	<u>\$ -</u>

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<hr/> -
Total State Revenue in Lieu of Taxes	<u>\$ -</u>

Nonpublic Textbook Revenue	<u>\$ -</u>
Nonpublic Transportation Revenue	<u>\$ -</u>

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Education Levels of Public School Staff
As of October 1, 2015

Schedule 2

	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	6	75%	3	100%				
Master's Degree	2	25%						
Master's Degree +30								
Specialist in Education								
Ph. D. or Ed. D.								
Total	8	100%	3	100%				

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Number and Type of Public Schools
For the Year Ended June 30, 2016

Schedule 3

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

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Experience of Public Principals, Assistant Principals,
and Full Time Classroom Teachers
As of October 1, 2015

Schedule 4

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals								
Principals								
Classroom Teachers	2	2	4	1	1	0	1	11
Total	2	2	4	1	1	0	1	11

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Public School Staff Data
For the Year Ended June 30, 2016

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$40,198	\$40,054
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,015	\$39,807
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	11.00	8.00

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
 Class Size Characteristics
 As of October 1, 2015

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	100%	63						
Elementary Activity Classes	100%	13						

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2016

Schedule 7

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 4												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	0%	0%	N/A	0%	0%
Mastery	6%	N/A	12%	0%	N/A	12%	6%	5%	12%	N/A	0%	12%
Basic	35%	N/A	38%	18%	N/A	38%	35%	53%	38%	N/A	64%	64%
Approaching Basic	47%	N/A	38%	70%	N/A	50%	59%	26%	50%	N/A	16%	12%
Unsatisfactory	12%	N/A	12%	12%	N/A	0%	0%	16%	0%	N/A	20%	12%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 8												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	0%	0%	N/A	0%	0%
Mastery	8%	N/A	18%	8%	N/A	0%	0%	6%	9%	N/A	6%	8%
Basic	46%	N/A	37%	31%	N/A	55%	54%	50%	64%	N/A	68%	67%
Approaching Basic	46%	N/A	27%	38%	N/A	18%	38%	31%	18%	N/A	13%	17%
Unsatisfactory	0%	N/A	18%	23%	N/A	27%	8%	13%	9%	N/A	13%	8%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A	100%	100%

The LEAP was not administered for English and Mathematics for Grades 4 and 8 for the 2014-2015 school year.
The LEAP was not administered for Social Studies for Grades 4 and 8 for the 2015-2016 school year.

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

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
iLEAP Test Results
For the Year Ended June 30, 2016

Schedule 9

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 3												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	0%	0%	N/A	0%	0%
Mastery	21%	N/A	5%	11%	N/A	19%	16%	0%	10%	N/A	0%	14%
Basic	26%	N/A	43%	21%	N/A	29%	52%	50%	71%	N/A	33%	53%
Approaching Basic	48%	N/A	33%	26%	N/A	19%	21%	42%	14%	N/A	25%	14%
Unsatisfactory	5%	N/A	19%	42%	N/A	33%	11%	8%	5%	N/A	42%	19%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 5												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	0%	0%	N/A	0%	0%
Mastery	19%	N/A	6%	6%	N/A	6%	13%	15%	13%	N/A	0%	0%
Basic	37%	N/A	25%	13%	N/A	25%	31%	15%	62%	N/A	38%	74%
Approaching Basic	19%	N/A	38%	50%	N/A	20%	37%	39%	25%	N/A	47%	13%
Unsatisfactory	25%	N/A	31%	31%	N/A	49%	19%	31%	0%	N/A	15%	13%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	99%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 6												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	0%	0%	N/A	0%	0%
Mastery	13%	N/A	0%	6%	N/A	0%	13%	13%	0%	N/A	13%	13%
Basic	49%	N/A	40%	25%	N/A	27%	25%	60%	53%	N/A	67%	47%
Approaching Basic	38%	N/A	27%	69%	N/A	46%	43%	20%	27%	N/A	13%	40%
Unsatisfactory	0%	N/A	33%	0%	N/A	27%	19%	7%	20%	N/A	7%	0%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Students	%	%	%	%	%	%	%	%	%	%	%	%
Grade 7												
Advanced	0%	N/A	0%	0%	N/A	0%	0%	6%	0%	N/A	0%	0%
Mastery	37%	N/A	0%	13%	N/A	0%	25%	0%	7%	N/A	6%	20%
Basic	13%	N/A	24%	38%	N/A	60%	50%	44%	33%	N/A	75%	40%
Approaching Basic	31%	N/A	38%	49%	N/A	27%	6%	25%	27%	N/A	19%	33%
Unsatisfactory	19%	N/A	38%	0%	N/A	13%	19%	25%	33%	N/A	0%	7%
Total	100%	N/A	100%	100%	N/A	100%	100%	100%	100%	N/A	100%	100%

The iLEAP was not administered for English and Mathematics for Grades 3, 5, 6, and 7 for the 2014-2015 school year.
The iLEAP was not administered for Social Studies for Grades 3, 5, 6, and 7 for the 2015-2016 school year.

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

SUPPLEMENTARY INFORMATION

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedule of Governing Board
For the Year Ended June 30, 2016

Board Member	Compensation	Board Member	Compensation
Jake Giardina 918 East First Street Thibodaux, LA 70301 <i>Board Chair</i>	\$ - 0 -	Andrea Bollinger-Giardina 918 East First Street Thibodaux, LA 70301 <i>Board Member</i>	\$ - 0 -
Karen Chauvin 214 Central Avenue Houma, LA 70364 <i>President</i>	\$ - 0 -	Dr. Albert Davis 111 East Killarney Place Thibodaux, LA 70310 <i>Board Member</i>	\$ - 0 -
Carol Broussard 137 Alamo Drive Houma, LA 70360 <i>Vice-President</i>	\$ - 0 -	Dr. Cleveland O. Hill 2130 Highway 3185 Thibodaux, LA 70301 <i>Board Member</i>	\$ - 0 -
Brian Aucoin 1306 Park Drive Thibodaux, LA 70301 <i>Treasurer</i>	\$ - 0 -	Angela Smith 1647 Savanne Road Houma, LA 70360 <i>Board Member</i>	\$ - 0 -
Dr. Angelle Hebert 500 Cedar Tree Drive Thibodaux, LA 70310 <i>Secretary</i>	\$ - 0 -	Michelle Stawser 307 Hellier Street Houma, LA 70360 <i>Board Member</i>	\$ - 0 -

See independent auditor's report.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2016

Agency Head

Linda Musson, Director of The Maxine Giardina Charter School

Purpose	Amount
Salary	\$77,500
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Parking Permit, NSU	\$50
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$125
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

Note: Linda Musson is contracted through Teach to Teach, LLC on an annual basis to serve as school director/principal.

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

We have audited, 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, the financial statements of The Maxine Giardina Charter School, Inc. (the School), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 6, 2016.

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 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 over financial reporting 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
December 6, 2016

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedule of Findings and Responses

For the Year Ended June 30, 2016

Part I. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1) Type of auditor's report | Unmodified |
| 2) Internal control over financial reporting and compliance and other matters: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified? | None reported |
| c) Noncompliance noted? | No |
| d) Other matters identified? | No |

Federal Awards

Not applicable.

Part II. Findings Related to the Financial Statements

None.

Part III. Compliance and Other Matters

None.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2016

Part II. Findings Related to the Financial Statements

None.

Part III. Compliance and Other Matters

None.