

CRESCENT CITY SCHOOLS

FINANCIAL STATEMENTS

June 30, 2012

CRESCENT CITY SCHOOLS

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CRESCENT CITY SCHOOLS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crescent City Schools

We have audited the accompanying statement of financial position of Crescent City Schools as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Crescent City Schools' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crescent City Schools as of June 30, 2012, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 13, 2012, on our consideration of Crescent City Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 13, 2012

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CRESCENT CITY SCHOOLS
STATEMENT OF FINANCIAL POSITION

June 30, 2012

	2012
ASSETS	
Cash and cash equivalents	\$ 617,916
Federal grant receivables	435,147
Other grant receivables	300,000
Unconditional promises to give	1,650
Due from Akili Academy	8,563
Prepaid expenses	29,934
Property and equipment, at cost less accumulated depreciation	45,956
Deposits	<u>8,936</u>
Total assets	<u>\$ 1,448,102</u>
LIABILITIES	
Accounts payable	\$ 161,936
Accrued expenses	207,759
Due to Akili Academy	12,501
Notes payable	<u>62,500</u>
Total liabilities	<u>444,696</u>
NET ASSETS	
Net assets	
Unrestricted	558,850
Temporarily restricted	<u>444,556</u>
Total net assets	<u>1,003,406</u>
Total liabilities and net assets	<u>\$ 1,448,102</u>

See accompanying Notes to Financial Statements.

CRESCENT CITY SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Local per pupil aid	\$ 2,242,301	\$ -	\$ 2,242,301
Federal grants	1,569,069	-	1,569,069
State public school funds	2,001,977	-	2,001,977
Other grants, contributions and donations	199,739	333,000	532,739
Other sources	34,220	-	34,220
Net assets released from restrictions	166,521	(166,521)	-
	<u>6,213,827</u>	<u>166,479</u>	<u>6,380,306</u>
 Total revenues and other support			
Expenses			
Program services:			
Instructional	2,858,953	-	2,858,953
Supporting services:			
Management and general	2,725,688	-	2,725,688
Non-instructional services:			
Other services	49,605	-	49,605
	<u>5,634,246</u>	<u>-</u>	<u>5,634,246</u>
 Total expenses			
Change in net assets	579,581	166,479	746,060
Net assets			
Beginning of year	(20,731)	278,077	257,346
	<u>(20,731)</u>	<u>278,077</u>	<u>257,346</u>
End of year	<u>\$ 558,850</u>	<u>\$ 444,556</u>	<u>\$ 1,003,406</u>

See accompanying Notes to Financial Statements.

CRESCENT CITY SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2012

	Program Services	Support Services	Non- Instructional Services	Total
	Instructional	Management and General	Other Services	
Regular education programs	\$ 2,162,095	\$ -	\$ -	\$ 2,162,095
Special education programs	481,762	-	-	481,762
Other instruction programs	215,096	-	-	215,096
Pupil support services	-	1,152,701	-	1,152,701
General administrative	-	220,106	-	220,106
School administration	-	527,349	-	527,349
Business services	-	12,373	-	12,373
Operations & maintenance of plant services	-	446,436	-	446,436
Student transportation	-	359,550	-	359,550
Central services	-	7,173	-	7,173
Food services	-	-	49,605	49,605
Total expenses	\$ 2,858,953	\$ 2,725,688	\$ 49,605	\$ 5,634,246

See accompanying Notes to Financial Statements.

CRESCENT CITY SCHOOLS
STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2012

	2012
Cash flows from operating activities:	
Change in net assets	\$ 746,060
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	17,908
(Increase) decrease in operating assets:	
Federal grant receivables	(263,683)
Other grant receivables	(300,000)
Unconditional promises to give	(1,650)
Due from Akili Academy	(8,563)
Prepaid expenses	(28,664)
Deposits	(8,936)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	270,444
Due to Akili Academy	12,701
Net cash provided by operating activities	<u>435,617</u>
Cash flows from investing activities:	
Purchase of property and equipment	(63,864)
Net cash used by investing activities	<u>(63,864)</u>
Cash flows from financing activities:	
Repayments of notes payable	(60,750)
Net cash used by financing activities	<u>(60,750)</u>
Net increase	311,003
Cash and cash equivalents at beginning of year	<u>306,913</u>
Cash and cash equivalents at end of year	<u>\$ 617,916</u>

See accompanying Notes to Financial Statements.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

1) Summary of significant accounting policies

a) Organization

Crescent City Schools ("CCS") was incorporated on June 8, 2010 for the purpose of operating charter schools. CCS was created to build the academic skills, personal values, and intellectual habits of mind to succeed in high school, college, and beyond.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to CCS effective May 18, 2011 to operate a Type 5 Charter School, as defined in L.A. R.S. 17:3996. The charter was granted for an initial term of 3 years and will terminate June 30, 2014, unless BESE grants a 2 year extension of the contract. CCS commenced operations with the 2011-2012 school year. As of June 30, 2012, CCS had one school under this charter, Harriet Tubman Charter School ("School" or "HT").

b) Basis of accounting

The financial statements of Crescent City Schools have been prepared in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting.

c) 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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d) Cash and cash equivalents

CCS classifies as cash and cash equivalents all highly liquid debt instruments with a maturity of three months or less.

e) Public support and revenue

CCS receives its support primarily from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances for uncollectible contributions are estimated. Promises to give and contributions are principally received from corporate, foundation, and individual donors. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give for subsequent years 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.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not donated, are recorded at their fair values in the period received.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

1) Summary of significant accounting policies (continued)

e) Public support and revenue (continued)

All contributions are considered to be available for unrestricted use unless specially 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 assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

f) Property and equipment

Additions to physical plant and facilities are capitalized and stated at cost at the date of acquisition or at fair value at the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided by utilizing the straight-line method over the estimated useful lives of the assets, which is three years.

g) Compensated absences

The School allows employees 50 hours of paid absences during the school year. At June 30, 2012, the School did not have any unpaid leave obligations.

h) Financial statement presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Support, revenues, and expenses for the general operation of CCS.

Temporarily Restricted Net Assets – Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets – Contributions subject to donor-imposed restrictions and that are to be held in perpetuity. Generally, the donors of these assets permit use all or part of the income derived from the investment of these contributions.

i) Tax Matters

Crescent City Schools has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless it has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2012, CCS believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years June 30, 2009 and later remain subject to examination by the taxing authorities.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

1) Summary of significant accounting policies (continued)

j) Accrued payroll

Teachers at the School are paid over twelve months, even though school is only in session for ten months. Because of this, the salary for the current school year that is paid subsequent to June 30, 2012 is recorded as accrued expenses.

k) Functional expenses

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

2) Temporarily restricted net assets

Temporarily restricted net assets as of June 30, 2012 are available for the following purposes:

	<u>2012</u>	<u>Restrictions</u>
Capital One	\$ 12,500	Training and assessments for Akili
NewSchools Venture Fund	300,000	Development of CMO home office & support of the Principal Incubation Fellowship program
New Schools for New Orleans	114,327	Salary and benefits
Contributions for repairs	4,500	Facilities
Reilly Foundation	<u>13,229</u>	Professional development
Total temporarily restricted assets	<u>\$444,556</u>	

3) Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2012:

	<u>2012</u>	<u>Restrictions</u>
Walton Family Foundation	\$148,925	Start-up expenses
NO Jazz	1,050	HT dance, music and art
New Schools for New Orleans	14,775	Salaries and benefits
Reilly Foundation	<u>1,771</u>	Professional development
Total temporarily restricted assets	<u>\$166,521</u>	

4) Promises to give

The promises to give as of June 30, 2012 totaling \$1,650 are both unrestricted and unconditional. The promises to give are expected to be collected within the next fiscal year.

5) Grant receivables

As of June 30, 2012, federal grant receivables totaled \$435,147, which was a receivable for federal grants passed through the Louisiana Department of Education and New Schools for New Orleans. As of June 30, 2012, other grant receivables totaled \$300,000, which is due from a foundation. These balances are considered fully collectible.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

6) Property and equipment

Property and equipment for the year ended June 30, 2012 consist of the following:

	<u>2012</u>
Leasehold improvements	\$ 63,631
Less accumulated depreciation	<u>17,675</u>
Total	<u>\$ 45,956</u>

7) Leases

CCS has entered into a rent-free lease agreement with the State of Louisiana Department of Education, Recovery School District ("RSD") for the period from July 1, 2011 through June 30, 2014. The lease agreement may be extended for an additional two years, terminating on July 30, 2016, in the event the BESE extends the charter contract for an additional two years. The RSD has reserved the right to impose rent in subsequent years.

Use of property, including fixtures, furniture and equipment provided by RSD is not recorded as an in-kind contribution. CCS is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules.

8) Retirement plan

Crescent City Schools maintains a safe-harbor 401(k) plan covering all eligible employees. CCS matches 100% of the first 4% of employees salary deferrals. Matching contributions for the year ended June 30, 2012 totaled \$99,530.

9) Concentrations of risk

Financial instruments that potentially subject CCS to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. CCS may, at times, have deposits in excess of the FDIC insured limits. CCS has not experienced any losses in such accounts. CCS has no policy requiring collateral or other security to support its deposits.

CCS received a substantial amount of its revenue through grants awarded by the federal, state, and local governments, which totaled approximately 91% of total revenue for the year ended June 30, 2012.

All of the students of Crescent City Schools live in the Greater New Orleans area.

10) Subsequent events

Management evaluated subsequent events through December 13, 2012, the date which the financial statements were available to be issued.

As of July 1, 2012, CCS added Akili Academy to its portfolio of schools.

Subsequent to year end, CCS had a third charter application approved by BESE for the takeover of another school in 2013.

CRESCENT CITY SCHOOLS
STATEMENT OF FINANCIAL POSITION - BY LEDGER

June 30, 2012

	CMO	Harriet Tubman	Eliminating Entries	Total
ASSETS				
Cash and cash equivalents	\$ 166,241	\$ 451,675	\$ -	\$ 617,916
Federal grant receivables	32,007	403,140	-	435,147
Other grant receivables	300,000	-	-	300,000
Unconditional promises to give	1,650	-	-	1,650
Due from Akili Academy	8,563	-	-	8,563
Prepaid expenses	-	29,934	-	29,934
Due from related party	24,996	34,754	(59,750)	-
Property and equipment, net	-	45,956	-	45,956
Deposits	-	8,936	-	8,936
	<u>\$ 533,457</u>	<u>\$ 974,395</u>	<u>\$ (59,750)</u>	<u>\$ 1,448,102</u>
Total assets				
LIABILITIES				
Accounts payable	\$ 4,992	\$ 156,944	\$ -	\$ 161,936
Accrued expenses	9,600	198,159	-	207,759
Due to related party	38,681	21,069	(59,750)	-
Due to Akili Academy	12,501	-	-	12,501
Notes payable	-	62,500	-	62,500
	<u>65,774</u>	<u>438,672</u>	<u>(59,750)</u>	<u>444,696</u>
Total liabilities				
NET ASSETS				
Net assets	<u>467,683</u>	<u>535,723</u>	<u>-</u>	<u>1,003,406</u>
Total net assets	<u>467,683</u>	<u>535,723</u>	<u>-</u>	<u>1,003,406</u>
Total liabilities and net assets	<u>\$ 533,457</u>	<u>\$ 974,395</u>	<u>\$ (59,750)</u>	<u>\$ 1,448,102</u>

See accompanying Notes to Financial Statements.

CRESCENT CITY SCHOOLS
STATEMENT OF ACTIVITIES - BY LEDGER

For the Year Ended June 30, 2012

	<u>CMO</u>	<u>Harriet Tubman</u>	<u>Eliminating Entries</u>	<u>Total</u>
Revenues and other support				
Local per pupil aid	\$ -	\$ 2,242,301	\$ -	\$ 2,242,301
Federal grants	-	1,569,069	-	1,569,069
State public school funds	-	2,001,977	-	2,001,977
Other grants, contributions & donations	347,800	184,939	-	532,739
Management fee income	337,000	-	(337,000)	-
Other sources	19,620	14,600	-	34,220
Total revenues and other support	<u>704,420</u>	<u>6,012,886</u>	<u>(337,000)</u>	<u>6,380,306</u>
Expenses				
Program services:				
Instructional	-	2,858,953	-	2,858,953
Supporting services:				
Management and general	374,622	2,688,066	337,000	2,725,688
Non-instructional services:				
Other services	-	49,605	-	49,605
Total expenses	<u>374,622</u>	<u>5,596,624</u>	<u>337,000</u>	<u>5,634,246</u>
Change in net assets	329,798	416,262	-	746,060
Net assets				
Beginning of year	<u>137,885</u>	<u>119,461</u>	-	<u>257,346</u>
End of year	<u>\$ 467,683</u>	<u>\$ 535,723</u>	<u>\$ -</u>	<u>\$ 1,003,406</u>

See accompanying Notes to Financial Statements.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



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

To the Board of Directors
Crescent City Schools

We have audited the financial statements of Crescent City Schools, as of and for the year ended June 30, 2012, and have issued our report thereon, dated December 13, 2012. 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.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Crescent City Schools' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crescent City Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crescent City Schools' internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crescent City Schools' financial statements are free of 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*.

We noted certain matters that we reported to management of Crescent City Schools in a separate letter dated December 13, 2012.

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

December 13, 2012

Wegman Day & Company



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Crescent City Schools

We have audited Crescent City Schools' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Crescent City Schools' major federal programs for the year ended June 30, 2012. Crescent City Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Crescent City Schools' management. Our responsibility is to express an opinion on Crescent City Schools' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Crescent City Schools' 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. Our audit does not provide a legal determination of Crescent City Schools' compliance with those requirements.

In our opinion, Crescent City Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of Crescent City Schools' major federal programs for the year then ended June 30, 2012.

Internal Control Over Compliance

Management of Crescent City Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Crescent City School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Crescent City Schools' 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 a 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

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

December 13, 2012

Wegman Dayet + Company

CRESCENT CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education:		
Pass-Through Program From:		
Louisiana Department of Education		
Education Jobs Funds - ARRA	84.410A	\$ 1,391
Title I – Part A	84.010A	419,165
Title II – Part A	84.367A	92,562
Special Education Grants to States (IDEA Part B)	84.027A	137,890
Special Education Grants to States (Preschool)	84.173A	11,934
Public Charter School Federal Grant Program	84.282A	60,358
New Schools of New Orleans		
I-3 Grant - ARRA	84.396B	<u>845,770</u>
Total Expenditures of Federal Awards		<u>\$1,569,070</u>

See notes to Schedule of Expenditures of Federal Awards.

CRESCENT CITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

1) Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Crescent City Schools and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when Crescent City Schools has met the cost reimbursement of funding qualifications for the respective grants. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, the amount presented in the schedule may differ from the amount presented in, or used in the preparation of, the financial statements.

2) Risk-Based Audit Approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Organization does not qualify as a low-risk auditee.

CRESENT CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

We have audited the basic financial statements of Crescent City Schools as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012. 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 and the provisions of OMB Circular A-133. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

Section I

Summary of Auditors' Results

- a. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **No**. Material weaknesses: **No**.
- b. Noncompliance which is material to the financial statements: **No**.
- c. Significant deficiencies in internal control over major programs: **No**. Material weakness: **No**.
- d. The type of report issued on compliance for major programs: **Unqualified**.
- e. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **None**.
- f. Major programs:

<u>CFDA No.</u>	<u>Name of Federal program</u>
84.010A	Title I – Part A
84.396B	I-3 Grant - ARRA
- g. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**.
- h. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **No**.
- i. A management letter was issued: **Yes**.

Section II

Financial Statement Findings

None.

Section III

Federal Award Findings and Questioned Costs

None.

CRESENT CITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2012

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS			
Audit Findings	Proposed Corrective Action	Anticipated Completion Date	Contact Person
No findings.			
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS			
No findings.			
SECTION III MANAGEMENT LETTER			
No. 2012-1 Monthly Close	The Organization uses QuickBooks ("QB") software to manage the general ledger. QB does not require a "close" of each month. Transactions can be backdated to the prior period, thus changing the previously reported financial statements. Therefore, we recommend that the Company implement QuickBooks' close feature monthly, including restricting access to prior-period data. Adjustments to prior periods negate the validity of historical information. A monthly close will eliminate the ability to backdate.	Immediately	Chris Hines, COO

REPORTS BY MANAGEMENT

CRESCENT CITY SCHOOLS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section I – Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

Not audited as of June 30, 2011.

Compliance and Other Matters

Not audited as of June 30, 2011.

Section II – Internal Control and Compliance Material to Federal Awards

Not audited as of June 30, 2011.

Section III – Management Letter

Not audited as of June 30, 2011.

CRESCENT CITY SCHOOLS
MANAGEMENT CORRECTIVE ACTION PLAN ON CURRENT YEAR FINDINGS

For the Year Ended June 30, 2012

Section I – Internal Control Over Financial Reporting and Compliance and Other Matters material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended June 30, 2012.

No significant deficiencies were noted during the audit of the financial statements for the year ended June 30, 2012.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2012.

Section II – Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2012.

Section III – Management Letter

No. 2012-1 Monthly Close

Recommendation: The Organization uses QuickBooks (“QB”) software to manage the general ledger. QB does not require a “close” of each month. Transactions can be backdated to the prior period, thus changing the previously reported financial statements. Therefore, we recommend that the Company implement QuickBooks’ close feature monthly, including restricting access to prior-period data. Adjustments to prior periods negate the validity of historical information. A monthly close will eliminate the ability to backdate.

Corrective Action: Implement a policy to use the QB close feature monthly.

Implementation Date: Immediately.

Contact: Christopher Hines, Chief Operations Officer – (504) 708-4136

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:524 – PERFORMANCE AND STATISTICAL DATA)
(UNAUDITED)**



INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Crescent City Schools

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Crescent City Schools and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2012, accompanying the annual financial statements of Crescent City Schools and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of Crescent City Schools is responsible for its performance and statistical data. Our engagement to perform agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that were performed 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 expenses were classified correctly and were reported in the proper amounts for each of the categories reported on Schedule 1.

Findings: None

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to Crescent City Schools' supporting payroll records as of October 1, 2011.

Findings: None

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 number of principals and assistant principals per this schedule.

Findings: None

4. We obtained a list of principals, assistant principals and full-time teachers by classification as of October 1, 2011 and as reported on this schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined the individual's education level was properly classified on this 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 full-time teachers, principals, and assistant principals by classification as of October 1, 2011, and as reported on this schedule. We traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience is properly classified on this schedule.

Findings: None

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salaries, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: None

8. We recalculated the average salaries and full-time equivalents reported in this 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 this schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 10 classes to the October 1, 2011 roll books for those classes and determined if the class is properly classified on this schedule.

Findings: None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in this schedule by Crescent City Schools.

Findings: None

Graduation Exit Exam (GEE) (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as report by the testing authority to scores reported in this schedule by Crescent City Schools.

Findings: None

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in this schedule by Crescent City Schools.

Findings: None

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

December 13, 2012

Wayman Day & Company

CRESCENT CITY SCHOOLS
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES

For the Year Ended June 30, 2012

	<u>Column A</u>	<u>Column B</u>
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,500,780	
Other Instructional Staff Salaries	170,145	
Instructional Staff Employee Benefits	356,388	
Purchased Professional and Technical Services	15,357	
Instructional Materials and Supplies	207,293	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 2,249,963
Other Instructional Activities		-
Pupil Support Services	290,929	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		290,929
Instructional Staff Services	15,248	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		15,248
School Administration	1,319,506	
Less: Equipment for School Administration	-	
Net School Administration		1,319,506
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 3,875,646</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ -	
Renewable Ad Valorem Tax	-	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-	
Sales and Use Taxes	-	
Total Local Taxation Revenue		<u>\$ -</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		<u>\$ -</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>\$ -</u>
Nonpublic Textbook Revenue		<u>\$ -</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

For the Year Ended June 30, 2012

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than Bachelor's Degree	-	0.0%	-	0.0%	-	-	-	0.0%
Bachelor's Degree	25	75.8%	12	75.0%	-	-	1	50.0%
Master's Degree	6	18.2%	3	18.8%	-	-	-	0.0%
Master's Degree +30	-	0.0%	-	0.0%	-	-	1	50.0%
Specialist in Education	-	0.0%	-	0.0%	-	-	-	0.0%
Ph. D. or Ed. D.	2	6.0%	1	6.2%	-	-	-	0.0%
Total	33	99.9%	16	100.0%	0	0.0%	2	100.0%

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
NUMBER AND TYPE OF PUBLIC SCHOOLS

For the Year Ended June 30, 2012

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

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
 EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND FULL TIME CLASSROOM TEACHERS
 For the Year Ended June 30, 2012

	0-1 Yr.	2 - 3 Yrs.	4 - 10 yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals	-	-	2	-	-	-	-	2
Classroom Teachers	22	8	15	2	1	1	-	49
Total	22	8	17	2	1	1	-	51

CRESCENT CITY SCHOOLS
PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES

For the Year Ended June 30, 2012

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$ 43,098	\$ 43,098
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 43,098	\$ 43,098
Number of Teacher Full-Time Equivalents (FTEs) Used in Computaion of Average Salaries	49	49

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
CLASS SIZE CHARACTERISTICS

As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	2	17%	1	8%	9	75%	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	1	11%	3	33%	5	56%	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)

For the Year Ended June 30, 2012

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 4								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	5	7%	3	4%	3	4%	0	0%
Basic	37	47%	26	34%	22	28%	21	28%
Approaching Basic	22	29%	31	40%	29	38%	25	32%
Unsatisfactory	13	17%	17	22%	23	30%	31	40%
Total	77	100%	77	100%	77	100%	77	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 8								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	4	12%	2	6%	3	9%	0	0%
Basic	18	52%	20	58%	13	37%	17	49%
Approaching Basic	6	18%	4	12%	13	37%	13	37%
Unsatisfactory	6	18%	8	24%	6	17%	5	14%
Total	34	100%	34	100%	35	100%	35	100%

CRESCENT CITY SCHOOLS
GRADUATION EXIT EXAMINATION (GEE)

For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
Students	Number	Percentage	Number	Percentage
Grade 10	N/A	N/A	N/A	N/A
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

District Achievement Level Results	Science		Social Studies	
	2012		2012	
Students	Number	Percentage	Number	Percentage
Grade 11	N/A	N/A	N/A	N/A
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

CRESCENT CITY SCHOOLS
iLEAP TESTS

For the Year Ended June 30, 2012

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	3	5%	2	3%	1	2%	0	0%
Basic	10	16%	16	27%	21	35%	19	32%
Approaching Basic	22	37%	15	25%	20	33%	12	20%
Unsatisfactory	25	42%	27	45%	18	30%	29	48%
Total	60	100%	60	100%	60	100%	60	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	2%	2	4%	0	0%	1	2%
Basic	19	38%	22	45%	19	39%	23	47%
Approaching Basic	13	27%	11	22%	20	41%	9	18%
Unsatisfactory	16	33%	14	29%	10	20%	16	33%
Total	49	100%	49	100%	49	100%	49	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	2%	0	0%	1	2%	2	4%
Mastery	3	6%	6	12%	3	6%	1	2%
Basic	20	39%	27	51%	25	46%	20	37%
Approaching Basic	21	40%	15	29%	16	31%	19	36%
Unsatisfactory	7	13%	4	8%	8	15%	11	21%
Total	52	100%	52	100%	53	100%	53	100%

School Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	2%	0	0%	1	2%	0	0%
Mastery	4	7%	2	4%	6	11%	1	2%
Basic	25	43%	25	45%	23	40%	31	54%
Approaching Basic	22	39%	17	30%	20	35%	16	28%
Unsatisfactory	5	9%	12	21%	7	12%	9	16%
Total	57	100%	56	100%	57	100%	57	100%

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

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

December 17, 2012 (Date Transmitted)

Wegmann Dazet & Company (Auditors)

111 Veterans Blvd, Suite 800 (Address)

Metairie, LA 70005 (City, State Zip)

In connection with your audit of our financial statements as of June 30, 2012 and for the year ended June 30, 2012 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of October 1, 2012(date completed/date of the representations).

PART I. SCHOOL PROFILE

1. Name and address of the charter school.

Harriet Tubman Charter School
2013 General Meyer Ave
New Orleans, LA 70014

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

Name	Title	Address	Phone
Jean Paul Hymel	Board Chair	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Coleman Ridley	Vice-Chair	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Agnieszka McPeak	Secretary	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Doug Harrell	Treasurer	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Tim Bryant	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Anna Burrell	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Carolyn Chandler	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Aimee Eubanks Davis	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
John Hummel	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136

Julius Kimbrough	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Mary Lee Murphy	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Robert Stefani	Board Member	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Kate Mehok	CEO	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Christopher Hines	COO	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Julie Lause	Principal Director of	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136
Dan Wright	Finance & Operations	2013 General Meyer Ave. New Orleans, LA 70114	504-708-4136

3. Period of time covered by this questionnaire:

June 1, 2011 – June 30, 2012

4. Identify the charter school type and the parties to the charter.

Louisiana Type 5 Charter between Crescent City Schools and The Department of Education

5. Briefly describe the public services provided:

The school provides public education services to students in kindergarten through 8th grade.

6. Identify the expiration date of current charter.

June 30, 2016

LEGAL COMPLIANCE

PART II. ADMINISTRATION

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

Yes [x] No []

PART III. STUDENT ADMISSIONS

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

Yes [x] No []

PART IV. INSTRUCTIONAL STAFF

16. At least 75% of the instructional staff have been certified by the State Board of Elementary and Secondary Education or the French Ministry of Education [R.S. 17:3991(C)(1)(c)(6)(a)].
17. Each instructional staff member who is not certified meets one of the following criteria:
 - Is authorized by law or state board regulation to teach temporarily while seeking a regular teaching certificate [R.S. 17:3991(C)(1)(c)(6)(aa)].
 - Holds at least a bachelor's degree or has at least ten years of experience in a field relating to the teaching position for which the individual was hired and provides instruction under the supervision of a certified teacher [R.S. 17:3991(C)(1)(c)(6)(a)(i)(bb)].

Yes [x] No []

- Yes, as a Type 5 charter school, if applicable, we have complied with the staff certification requirements found in R.S. 17:3991 (C) (6) (b).

Yes [x] No []

PART V FIXED ASSETS

18. Yes, as a Type 4 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets belonging to the local school board [R.S. 17:3391(H)].
19. Yes, as a Type 1, Type 2, Type 3, or Type 5 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets acquired with public funds, which, if the school ceases to operate, become the property of the chartering authority [R.S. 17:3391(H)].
20. The charter school, regardless of type, has maintained records of fixed assets that clearly identify those assets which were acquired with private funds and which remain the property of the nonprofit organization [R.S. 17:3391(H)].

Yes [x] No []

PART VI COUNT OF STUDENTS

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

Yes [x] No []

PART VII OPEN MEETINGS LAW

22. We have complied with the laws pertaining to open and public meetings (R.S. 42:4.1 through 42:13).

Yes [x] No []

PART VIII PUBLIC RECORDS ACT

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

Yes [x] No []

PART IX PUBLIC BID LAW

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

Yes [x] No []*

Over \$100,000 was spent to renovate the school prior to opening. The school wasn't turned over to Crescent City Schools until July 1, 2011. Thus management was unable to get in and determine all the specifications and scope needed to draw up a request for proposal and conduct formal RFP process and still ensure that the maintenance work we needed done could get done by school opening. The restroom facilities needed a lot of work. The Chief Operating Officer worked with Jean Batiste Management to determine the requirements and begin the work immediately once the requirements were known. As a safeguard, the services of Mr. Vince Danna, a facility director with Pan American life, were donated. Mr. Danna was present to determine that scope and price offered by Jean Batiste Management were fair to the school. Management believes that it received very good value for the work that was done. Furthermore, public funds were not used to pay for the renovation/maintenance.

PART X STATE AUDIT LAW

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

Yes [x] No []

PART XI GENERAL

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

Yes [x] No []

The previous responses have been made to the best of our belief and knowledge.

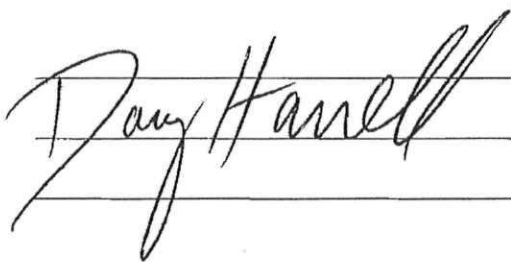
Agnieszka M. Sob... Secretary 10/12/12 Date
_____ Treasurer _____ Date
_____ President _____ Date

PART XI GENERAL

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

Yes [x] No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	_____	Date
	Treasurer	10/1/2012	Date
	President	_____	Date

PART XI GENERAL

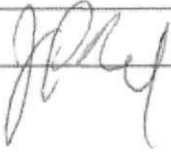
26. It is true that the actual operations of the school agree with those specified in its approved charter (See Charter).

Yes [x] No []

The previous responses have been made to the best of our belief and knowledge.

_____ Secretary _____ Date

_____ Treasurer _____ Date

 _____ President 10/01/12 Date



MANAGEMENT LETTER

December 13, 2012

Board of Directors
Crescent City Schools
New Orleans, Louisiana

We have audited the basic financial statements of Crescent City Schools as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012. 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 and the provisions of OMB Circular A-133.

As a part of our examination, we have issued our report on the financial statements, dated December 13, 2012, and our report on internal control and compliance with laws, regulations, contracts, and grants, dated December 13, 2012.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion No. 2012-1

Issue: Monthly Close

Condition: The Organization uses QuickBooks ("QB") software to manage the general ledger. QB does not require a "close" of each month. Transactions can be backdated to the prior period, thus changing the previously reported financial statements.

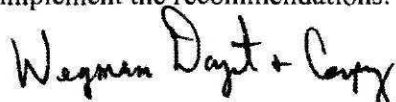
Criteria: Crescent City Schools needs to close each month in order to prevent transactions from being backdated to the prior period.

Cause: Management does not utilize the QuickBooks close feature monthly.

Effect: Transactions are being backdated to the prior period, changing the previously reported financial statements.

Recommendation: The Organization should implement QuickBooks' close feature monthly, including restricting access to prior-period data. Adjustments to prior periods negate the validity of historical information. A monthly close will eliminate the ability to backdate.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.


Wegmann Dazet & Company