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**CERTIFIED PUBLIC ACCOUNTANT**

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**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors**

**J. K. Haynes Charter Schools, Inc.**

**Baton Rouge, LA**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **J. K. Haynes Charter Schools, Inc.** (a non-profit organization) which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended, and 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 **J. K. Haynes Charter Schools, Inc.** as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity 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. The accompanying Schedule of Agency Head Compensation is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The Schedules of Performance Statistical Data as required by state law and referred to in our Independent Accountants' Report on Applying Agreed-Upon Procedures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2017, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract, 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.

**Bobbie L Howard**  
**Certified Public Accountant**  
**Houma, LA.**  
**December 11, 2017**

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2017**

<b><u>ASSETS</u></b>		
Cash & Cash Equivalents	\$ 516,811	
Contracts Receivables	134,001	
Property & Equipment, Net	119,587	
Deposits	<u>4,200</u>	
<b>TOTAL ASSETS</b>	<b><u><u>774,599</u></u></b>	
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts Payable	149,029	
Payroll Taxes Payable	<u>8,471</u>	
<b>TOTAL LIABILITIES</b>	<b><u>157,500</u></b>	
<b><u>NET ASSETS</u></b>		
Unrestricted Net Assets	<u>617,099</u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 774,599</u></u></b>	

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

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

<u><b>SUPPORT AND REVENUES</b></u>		
East Baton Rouge School Board	\$	2,471,849
Federal Food Grant		177,597
State Food Grant		14,838
In-Kind Rental Income		143,436
Interest Income		177
Other Income		32,144
		<hr/>
<b>TOTAL REVENUE AND SUPPORT</b>		<b>2,840,041</b>
		<hr/>
<u><b>EXPENSES</b></u>		
Program services		2,757,354
Supporting services		235,475
		<hr/>
<b>TOTAL EXPENSES</b>		<b>2,992,829</b>
		<hr/>
<b>CHANGE IN NET ASSETS</b>		<b>(152,788)</b>
		<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>		<b>769,887</b>
		<hr/>
<b>NET ASSETS, END OF YEAR</b>	<b>\$</b>	<b>617,099</b>
		<hr/> <hr/>

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



**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

<u>Cash Flows From Operating Activities:</u>	
Increase in Net Assets	(152,788)
Adjustments to reconcile increase in net assets To net cash provided by operating activities:	
Depreciation	19,531
(Increase) decrease in operating assets:	
Grant receivable	190,402
Increase (decrease) in operating liabilities:	
Accounts payable	39,023
Payroll Taxes Payable	(15,517)
Accrued Payroll	<u>(8,542)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>72,109</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of fixed assets	(94,460)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(22,351)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	539,162
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>516,811</u>
<b>INTEREST PAID</b>	-

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

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of **J. K. Haynes Charter Schools, Inc.** is presented to assist an understanding of the School's financial statements. The financial statements and notes are representation of the School's management who is responsible for their integrity and objectivity. These accounting policies conform to Generally Accepted Accounting Principles and have been consistently applied in the preparation of the financial statements. The School reports to the East Baton Rouge Parish School Board (EBRPSB).

**Nature of Operations**

The Charter School provides educational services for Pre-Kindergarten through Sixth grades. The School is located at 8600 Grove Garden Drive in Baton Rouge, Louisiana. The Board of Directors is the intermediate authority and it consists of five members with the majority of the members domiciled in East Baton Rouge Parish. The Charter School has a director who oversees and manages the daily operations of the School.

**Income Taxes**

The Charter School is a nonprofit organization organized under the State of Louisiana and is exempt from taxation under section 501 (c) (3) of the internal Revenue Code.

**Principles of Accounting**

The financial statements of **J. K. Haynes Charter Schools, Inc.** are prepared in accordance with accounting principles generally accepted in the United States of America and are prepared on the accrual basis.

**Basis of Presentation**

**J. K. Haynes Charter Schools, Inc. (JKHCSI)** follows the provisions of Not-For-Profit Entities Topic of FASB (FASB ASC 958), which establishes external financial reporting for non-for-profit organization which includes three basic financial statements and the classification of resources into three separate categories of net asset, as follows:

Unrestricted-Net assets which are free of donor imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets. (Continued)

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**Basis of Presentation**

Temporarily Restricted-Net assets whose use by JKHCSI is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of JKCSI pursuant to such stipulations. There were no temporarily restricted net assets at June 30, 2017.

Permanently Restricted-Net assets whose use by JKHCSI is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of JKHCSI. There were no permanently restricted net assets at June 30, 2017.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Support and Revenue**

**East Baton Rouge Parish School Board**

The School received an allocation based on the Minimum Foundation Program dollars per child through East Baton Rouge Parish School Board (EBRPSB). This amount is allocated per child and is distributed to the School. This amount is offset by certain services provided by the School Board such as transportation and food.

**Donated Facilities**

**J. K. Haynes Charter Schools, Inc.** leased a school building owned by the EBRPSB for \$100 per month at below the facility market value rate. The difference between the facilities rent at fair market value and month rent expense is reflected as rental expense and rental contribution in the amount of **\$143,436.00**.

**Budgetary Data**

**J. K. Haynes Charter Schools, Inc.** formally adopts a budget. The budgetary data are submitted to EBRPSB for approval.



**J. K. HAYNES CHARTER SCHOOLS, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**NOTE B: CASH IN BANK**

**J. K. Haynes Charter Schools, Inc.** maintains its cash balance at one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to **\$250,000**. The Cash balance of **\$516, 811** at June 30, 2017 which exceeds (FDIC) insured limit by \$266,811 is secured by collateral securities.

**NOTE C: FURNITURE & EQUIPMENT**

**J. K. Haynes Charter School, Inc.** follows the practice of capitalizing all property and equipment acquisitions over \$1,000.00. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. **JKHCSI** depreciates property and equipment over a five-year period and major leasehold improvement over a fifteen-year period. Depreciation expense amounted to \$19,531 as of June 30, 2017.

**At June 30, 2017 property and equipment consisted of the following:**

	<u>Balance</u>		<u>Balance</u>
	<u>June 30, 2016</u>	<u>Additions</u>	<u>June 30, 2017</u>
<b>Furniture &amp; Equipment:</b>	<b>\$128,681</b>	<b>\$94,460</b>	<b>\$223,141</b>
<b>Less:</b>			
<b>Accumulated Depreciation:</b>	<b>(\$84,023)</b>	<b>(\$19,531)</b>	<b>(\$103,554)</b>
<b>TOTAL</b>	<b>\$44,658</b>	<b>\$74,929</b>	<b>\$119,587</b>

**NOTE D: FUNCTIONAL ALLOCATION OF EXPENSES**

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services in the accompanying statement of functional expenses.

**J. K. HAYNES CHARTER SCHOOLS, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED  
 JUNE 30, 2017**

**NOTE E: OPERATING LEASE**

**J. K. Haynes Charter Schools, Inc.** signed an operating lease for the office and classroom spaces at \$100.00 per month, which terminated June 30, 2017 a new lease was entered for the term July 1, 2017 through June 30, 2022. Minimum rental payments under the lease for the year ended June 30, 2017 was \$1200.00. The school also lease copy machines under a lease classified as an operating lease. The lease was initially entered during September 2014, for a term of 60 months, and terminates August 2019. Minimum lease payments under the lease for the year ended June 30, 2017 was \$13,068.00

At year end June 30, 2017. The minimum lease commitments are as follows:

	<b>Facility Rental</b>	<b>Copier Rental</b>
June 30, 2018	\$1,200	\$13,068
June 30, 2019	\$1,200	\$ 2,178
June 30, 2020	\$1,200	
June 30, 2021	\$1,200	

**NOTE F: PENSION PLAN**

At **June 30, 2017**, the School's employees participate in a defined benefit pension plan, The Teacher's Retirement System of Louisiana (TRSL). The plan is a cost sharing for multiple employers.

The retirement plan--The system is administered and controlled by a Board of Trustees. All teachers are covered under the TRSL's Regular Plan.

The system is primarily funded by employees and employer contributions. Contribution rates (employees 8% & employers' 25.50% percent) are established by state law. The School's contributions to TRSL for the year ended **June 30, 2017** was equal to the required contribution for the year. As of **June 30, 2017** the School contributed a total of **\$286,587** to TRSL.



**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**NOTE G: FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of financial instruments has been determined utilizing available market information and appropriate valuation methodologies. The School considers the carrying amounts of cash to approximate fair value.

**NOTE H: ACCOUNTS PAYABLE**

At June 30, 2017, accounts payable consisted of the following:

Accounts Payable—Vendors	\$ 67,237
East Baton Rouge School System June Accrual	\$ 81,792

**NOTE I: CONCENTRATION OF REVENUE SOURCE**

**J. K. Haynes Charter Schools, Inc.** receives primarily all of its support from East Baton Rouge Parish School Board through the State of Louisiana's Minimum Foundation Program. If the amount of support received should fall below award budgeted levels, JKHCSI's operating results could be adversely affected.

**NOTE J: CONTINGENCIES AND COMMITMENTS**

**J. K. Haynes Charter School, Inc.** is a recipient of funding from East Baton Rouge Parish School Board through the State of Louisiana's Minimum Foundation Program. This funding is governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded is under the control and administration of **JKHCSI** and is subject to audit and/or review by the applicable funding source. Any funds found to be not properly spent in accordance with the terms; conditions and regulations of the funding sources may be subject to recapture.

## **BOBBIE L. HOWARD, CPA**

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

**To The Board of Directors**

**J. K. Haynes Charter Schools, Inc.**

**Baton Rouge, LA**

We have audited in accordance with the *Auditing Standards Generally Accepted* in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **J. K. Haynes Charter Schools, Inc.** (a non-profit organization) which comprise the statement of financial position as of **June 30, 2017**, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2017.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **J K. Haynes Charter Schools Inc.** 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 **J. K. Haynes Charter School, Inc.** internal control. Accordingly, we do not express and opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a

combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 weakness may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **J.K. Haynes Charter Schools, Inc.** financial statements are free from material misstatements, 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, compliance and the results that testing, and not to provide an opinion on the effectiveness of the school'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

**Bobbie L. Howard,  
Certified Public Accountant  
Houma, LA 70360**

**December 11, 2017**



**BOBBIE L. HOWARD,  
CERTIFIED PUBLIC ACCOUNTANT**

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

**To the Board of Directors  
J. K. Haynes Charter Schools, Inc.  
Baton Rouge, LA**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **J. K. Haynes Charter School, Inc.**, 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 **J. K. Haynes Charter Schools, Inc.** 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. 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 relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of **25** transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly 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

**Finding: None**

### Education Levels of Public School Staff (Schedule 2)

2. 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.

**Finding: None**

3. We obtained a list of principals, assistant principals, and full-time classroom teachers by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced each teacher to the individual personal file to determine if the individual's education level was properly classified on the schedule.

**Finding: None**

### Number and Type of Public Schools (Schedule 3)

4. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

**Finding: None**

### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

5. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 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.

**Finding: None**

### Public School Staff Data: Average Salaries (Schedule 5)

6. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers 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.

**Finding: None**

7. We recalculated the average salaries and full-time equivalents reported in the schedule.



**Finding: None**

**Class Size Characteristics (Schedule 6)**

8. 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 1 roll books for those classes and determined if the class was properly classified on the schedule.

**Finding: None**

**Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

9. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by East Baton Rouge Parish School Board.

**Finding: None**

**Graduation Exit Examination (GEE) (Schedule 8)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by East Baton Rouge Parish School Board.

**Finding: N/A (School only goes up to Fifth Grade)**

**ILEAP Tests (Schedule 9)**

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by East Baton Rouge Parish School Board.

**Finding: 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 management, Board of Directors, the Louisiana Legislative Auditors, the Louisiana Department of Education, and the East Baton Rouge Parish School Board, 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 11, 2017

**J. K. HAYNES CHARTER SCHOOL, INC.  
SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514-PERFORMANCE AND STATISTICAL DATA)  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 principal's 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: Average Salaries**

This schedule includes average classroom teacher's 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).

**J. K. HAYNES CHARTER SCHOOLS, INC.  
SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514-PERFORMANCE AND STATISTICAL DATA)  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

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

**Schedule 8 - Graduation Exit Examination (GEE)**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - ILEAP Tests**

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



**J. K. HAYNES CHARTER SCHOOLS, INC.  
GENERAL FUND INSTRUCTIONAL AND SUPPORT  
EXPENDITURES AND CERTAIN LOCAL  
REVENUE SOURCES-SCHEDULE I  
FOR THE YEAR ENDED JUNE 30, 2017**

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	672424	
Other Instructional Staff Activities	216114	
Instructional Staff Employee Benefits	260023	
Purchased Professional and Technical Services	192911	
Instructional Materials and Supplies	69731	
Instructional Equipment	94460	
Total Teacher and Student Interaction Activities		1505663
Other Instructional Activities		XXX
Pupil Support Activities	994415	
Less: Equipment for Pupil Support Activities	XXX	
Net Pupil Support Activities		994415
Instructional Staff Services	XXX	
Less: Equipment for Instructional Staff Services	XXX	
Net Instructional Staff Services		XXX
School Administration		
Less: Equipment for School Administration	XXX	
Net School Administration	XXX	XXX
Total General Fund Instructional Expenditures (Total of Column B)		2500078
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		\$XXX
<b><u>Certain Local Revenue Sources</u></b>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$XXX
Renew able Ad Valorem Tax		XXX
Debt Service Ad Valorem Tax		XXX
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		XXX
Sales and Use Taxes		XXX
Total Local Taxation Revenue		\$XXX
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$XXX
Earnings from Other Real Property		XXX
Total Local Earnings on Investment in Real Property		\$XXX
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$XXX
Revenue Sharing - Other Taxes		XXX
Revenue Sharing - Excess Portion		XXX
Other Revenue in Lieu of Taxes		XXX
Total State Revenue in Lieu of Taxes		\$XXX
Nonpublic Textbook Revenue		\$XXX
Nonpublic Transportation Revenue		\$XXX

See independent accountants' report on applying agreed upon procedures.

**J. K. HAYNES CHARTER SCHOOLS, INC.  
 EDUCATION LEVELS OF PUBLIC SCHOOL STAFF  
 SCHEDULE 2  
 FOR THE YEAR ENDED OCTOBER 1, 2016**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	3	27	3	100				
Master's Degree	7	63						
Master's Degree + 30	1	10			1	100		
Specialist in Education								
Ph. D. or Ed. D.								
<b>Total</b>	<b>11</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>1</b>	<b>100</b>		

See independent accountants' report on applying agreed upon procedures.



**J. K. HAYNES CHARTER SCHOOLS, INC.  
NUMBER AND TYPE OF PUBLIC SCHOOLS—SCHEDULE 3  
FOR THE YEAR ENDED JUNE 30, 2017**

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

See independent accountants' report on applying agreed upon procedures.

**J. K. HAYNES CHARTER SCHOOLS, INC.  
EXPERIENCE OF PUBLIC PRINCIPALS,  
ASSISTANT PRINCIPALS AND FULL TIME CLASSROOM  
TEACHERS—SCHEDULE 4  
FOR THE YEAR JUNE 30, 2017**

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

See independent accountants' report on applying agreed upon procedures.

**J. K. HAYNES CHARTER SCHOOLS, INC.  
PUBLIC SCHOOL STAFF DATA—SCHEDULE 5  
FOR THE YEAR ENDED JUNE 30, 2017**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	48030	48030
Average Classroom Teachers' Salary Excluding Extra Compensation	48030	48030
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	14	14

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**See independent accountants' report on applying agreed upon procedures.**

**J. K. HAYNES CHARTER SCHOOLS, INC.  
CLASS SIZE CHARACTERISTICS –SCHEDULE 6  
AS OF OCTOBER 1, 2016**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	56%	145	44%	110				
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**See independent accountants' report on applying agreed upon procedures.**



**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)**  
**SCHEDULE 7**  
**FOR THE YEAR ENDED JUNE 30, 2017**

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	-1	0	2	-1
Mastery	43	30	23	20	19	10
Basic	23	19	20	34	34	30
Approaching Basic	23	30	33	37	28	43
Unsatisfactory	11	21	25	9	17	18
Total	100	100	100	100	100	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	2	3	0	0	0
Mastery	27	24	38	7	10	11
Basic	38	31	35	40	29	38
Approaching Basic	31	24	19	42	50	46
Unsatisfactory	2	19	5	11	12	5
Total	100	100	100	100	100	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	6	0	0	0	2
Mastery	18	29	28	7	11	12
Basic	52	37	44	25	37	51
Approaching Basic	23	29	26	61	34	28
Unsatisfactory	5	0	2	7	17	7
Total	100	100	100	100	100	100

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	0	0	0	-1
Mastery	20	11	5	0	0	3
Basic	50	23	33	50	23	21
Approaching Basic	20	57	41	40	32	45
Unsatisfactory	0	9	21	10	45	32
Total	100	100	100	100	100	100

See independent accountants' report on applying agreed upon procedures.

**J. K. HAYNES CHARTER SCHOOLS, INC.  
GRADUATION EXIT EXAM—SCHEDULE 8  
FOR THE YEAR ENDED JUNE 30, 2017**

**Not Applicable**

See independent accountants' report on applying agreed upon procedures.

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**ILEAP TEST RESULTS—SCHEDULE 9**  
**FOR THE YEAR ENDED JUNE 30, 2017**

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	0	0	N/A	0
Mastery	6	6	4	16	N/A	10
Basic	37	40	28	29	N/A	53
Approaching Basic	37	36	38	46	N/A	20
Unsatisfactory	20	17	30	9	N/A	17
Total	100	100	100	100	N/A	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	0	0	N/A	0
Mastery	4	5	11	9	N/A	14
Basic	22	31	49	24	N/A	49
Approaching Basic	53	55	32	40	N/A	30
Unsatisfactory	20	10	8	27	N/A	8
Total	100	100	100	100	N/A	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	2	0	N/A	2
Mastery	2	11	5	5	N/A	12
Basic	27	26	50	11	N/A	48
Approaching Basic	41	49	31	34	N/A	28
Unsatisfactory	30	14	12	50	N/A	10
Total	100	100	100	100	N/A	100

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	0	0	N/A	0
Mastery	10	4	0	10	N/A	0
Basic	60	17	22	30	N/A	25
Approaching Basic	10	45	32	40	N/A	45
Unsatisfactory	20	34	46	20	N/A	30
Total	100	100	100	100	N/A	100

See independent accountants' report on applying agreed upon procedures.

**Schedule of Findings and Question Cost  
For the Year Ended  
June 30, 2017**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No control deficiencies disclosed during the audit of the financial statement.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Internal control over major federal award programs. N/A
5. Type of auditors' report issued on compliance for major programs: N/A
6. Audit findings that are required to be reported in accordance with Section 510(a) OMB Circular A-133. N/A
5. Identification of Major Program: N/A
6. Dollar threshold used to distinguish between type A and type B program: N/A
7. Auditee qualified as low-risk auditee? N/A



**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**Summary Schedule of Prior Year Finding and Questioned Cost**  
**For the Year Ended**  
**June 30, 2017**

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partially Corrective Action Taken
<b>Section I - Financial Statement Finding</b>				
2016-001	06/30/16	The internal Revenue Service classifies the Organization as a " semi-weekly depositor". Tax Deposits must be paid in accordance with deposit schedule	Yes	Policies have put in place to assure that payroll deposits are made in a timely manner
2015-001	06/30/2015	Board Oversight and Risk Assessment-A review of the minutes of the Board of Directors it was noted that no evidence existed that the Board reviewed the financial condition of the Omanization.	Yes	Board minutes and other Board considerations indicate that the Board has addressed this issue.
2015-002	06/30/2015	No evidence existed that the financial statements required by the charter school contract were ever submitted to the East Baton Rouge School System.	Yes	There was no evidence that the School was not submitting the required financial statements. The EBR School System continues to include the School in its funding.
2015-003	06/30/2015	The Organization did not have available monthly bank reconciliations, nor was the final reconciliation reviewed by management.	Yes	Evidence that the School is currently performing bank reconciliations on a monthly basis.
2015-004	06/30/2015	The books of account did not include the regular monthly transactions of the Organization. In particular, the transactions provided by the East Baton Rouge School System (EBR), which include the monthly Minimum Foundation Payment (MFP), the federal and state food grant payments, the deductions for retirement, and other expenses charged by the EBR System were not recorded in the monthly in which the transactions were incurred. Bank ACH debits and credits were not recorded from the monthly bank statements. These entries were made irregular during the year	Yes	The School is recording the transactions as required on a monthly basis.
2015-005	06/30/2015	The accounts payable file is maintained outside of the accounting software and is not reconciled to the general ledger.	Yes	Management is maintaining the accounts payable within the ccounting software.
2015-006	06/30/2015	The Organization's fiscal year ended June30, 2015 and was required to submit an audit report by eceember 31, 2015. However, it was not submitted until the January 2016	Yes	The audit report will be filed prior to the required time.

## **Supplementary Information**

**J. K. HAYNES CHARTER SCHOOLS, INC.  
FOR THE YEAR ENDED  
JUNE 30, 2017**

**Schedule of Compensation, Benefits,  
And other payments to the  
Agency Head or Chief Executive Officer**

	Salaries	Benefits Insurance	Benefits Retirement	Benefits Medicare	Per Diem	Reimbursements	Conference Travel	Special Meals	Total
Diana O. Haynes (Director)	\$115,000.00	\$4,172.00	\$ 29,325.00	\$1,668.00	\$280.00	\$ 2,981.00	\$ 1,601.00	\$439.00	\$155,466.00
Gail Horne Ray (Board Member)	\$ -	\$ -	\$ -	\$ -	\$210.00	\$ -	\$ 1,262.00	\$ -	\$ 1,472.00
Carrell Black (Board Member)	\$ -	\$ -	\$ -	\$ -	\$280.00	\$ -	\$ 102.00	\$ -	\$ 382.00
Anita Harrell (Board Member)	\$ -	\$ -	\$ -	\$ -	\$280.00	\$ -	\$ 603.00	\$ -	\$ 883.00
							Total Compensation		\$158,203.00

**J. K. HAYNES CHARTER SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

	PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL
Salaries	\$ 1,030,524	\$ 126,646	\$ 1,157,170.00
Occupancy	174,644	19,405	194,049
Employees Benefits	508,268	42,475	550,743
Professional Fees	73,535	8,171	81,705
Instructional	69,731	-	69,731
Repair & Maintenance	134,666	14,963	149,629
Insurance	14,656	1,628	16,284
Equipment Rental	23,216	-	23,216
Depreciation	19,531	-	19,531
Professional Development	4,672	519	5,191
Travel	19,690	2,188	21,878
Office Exepnse	8,529	948	9,477
Transportation	220,141	-	220,141
Indirect Cost	44,761	4,973	49,734
Other	1,372	152	1,524
Nursing	10,469	-	10,469
Dues	7,269	808	8,077
Food Service	211,369	-	211,369
Pro Tech Services	192,911	-	192,911
<b>TOTAL</b>	<b>\$ 2,769,953</b>	<b>\$ 222,876</b>	<b>\$ 2,992,829</b>



**JK HAYNES CHARTER SCHOOLS, INC.**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**JUNE 30, 2017**



**BOBBIE L. HOWARD, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**  
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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
JK Haynes Charter Schools, Inc.  
Baton Rouge, LA

We have performed the procedures enumerated below, which were agreed to by management of JK Haynes Charter Schools, Inc. (a non-profit organization) and Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. JK Haynes Charter Schools, Inc. management is responsible for those C/C areas identified in the SAUPs. Consequently, we make no representation regarding the sufficiency of the procedures below either for the purpose for which this report has been request or for any other purpose.

The procedures and associated finding are as follows:

**Written Policies and Procedures**

---

1. We obtained JK Haynes Charter Schools, Inc. written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions ( or report that the entity does not have any written policies and procedures) as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

- d) **Disbursements**, including processing, reviewing, and approving

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above

- e) **Receipts**, including receiving, recording, and preparing deposits.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above

- f) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

- g) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

- i) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results:** Based on our review of the above reference policy, we noted that the policy addresses the required elements above.

**Board (or Finance Committee, if applicable)**

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) We reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**Results:** Based on our review of the Board meeting minutes for the fiscal year, we noted the JK Haynes Charter Schools, Inc. Board met on a frequency in accordance with the Board's charter.

- b) We reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the JK Haynes Charter Schools Inc. prior audit (GAAP-basis).

**Results:** Based on our review of the Board minutes for the fiscal year, we noted that the budget-to actual comparisons were presented to and reviewed by the Board.

- 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan

**Results:** Based on our review of the Board minutes for the fiscal year and budget to actual comparisons, we noted deficit spending during the fiscal year. We obtained a copy of the formal/written plan and noted, during our review of Board minutes, that the Board is monitoring the plan.



- c) We reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results:** Based on our review of the Board meeting minutes for the fiscal year, we noted the Board minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal year.

### Bank Reconciliations

---

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

**Results:** We obtained the above referenced listing and management's representation that the population was complete.

4. Using the listing provided by management, we selected JK Haynes Charter Schools, Inc. only bank accounts. We obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations have been prepared;

**Results:** Based on our review of all bank reconciliations for the fiscal year, we noted bank reconciliations for all months during the fiscal period

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**Results:** Based on our review of all bank reconciliations for the fiscal year, we noted that each reconciliation had been reviewed by a member of management or a Board member.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Results:** Based on our review of all bank reconciliations for the fiscal year, we noted that documentation reflecting that JK Haynes Charter Schools, Inc. has researched reconciling items that had been outstanding more than six (6) months as of the end of the fiscal period.

## Collections

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5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

**Results:** Based on our inquiry with management, we noted that JK Haynes Charter Schools, Inc. has no locations where it collects cash. Therefore, the procedures in this section are not applicable to JK Haynes Charter Schools, Inc. Management's representation was obtained.

## Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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6. We obtained a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

**Results:** We obtained the above referenced listing and management's representation that the population was complete.

7. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

**Results:** Based on our review of twenty-five (25) disbursements, we did not note any exceptions.

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

**Results:** Based on our review of twenty-five (25) disbursements, we did not note any exceptions.

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipts of goods purchased, or electronic equivalent; and an approved invoice.

**Results:** Based on our review of twenty-five (25) disbursements, we did not note any exceptions.

8. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

**Results:** Based on our review of the above reference documentation, we noted that the person responsible for processing payments is prohibited from adding vendors to JK Haynes Charter Schools, Inc. purchasing/disbursements system.

9. Using JK Haynes Charter Schools, Inc. documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

**Results:** Based on our review of the above referenced documentation, we noted that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

10. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**Results:** Based on inquiry with management and our review of the above referenced documentation, we noted that persons with signatory authority do not have system access to print checks.



11. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Results:** JK Haynes Charter Schools, Inc. does not use a signature stamp or machine.

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

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

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.

13. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.



14. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the JK Haynes Charter Schools, Inc. written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions.

**Results:** This section is not applicable JK Haynes Charter Schools, Inc. does not use credit cards.

## Travel and Expense Reimbursement

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15. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**Results:** We obtained the above referenced listing and management's representation that the population was complete.

16. We obtained JK Haynes Charter Schools, Inc. written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Results:** Based on our review of the above referenced policy, we noted that the policy does not exceed GSA rates.

17. Using the listing or general ledger from #17 above, select the three (3) persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If JK Haynes Charter Schools, Inc. does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**Results:** We reviewed three (3) employee reimbursements for the two (2) employees who received reimbursements. Based on our review of the highest dollar reimbursement for each employee, we noted that the expenses selected were reimbursed in accordance with JK Haynes Charter Schools, Inc. written policies.

- b) We reported whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Results:** Based on our review of the highest dollar reimbursement for each employee, we noted that each expense was supported by the above referenced documentation.

- c) We compared JK Haynes Charter Schools, Inc. documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which

prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** Based on our review of the above referenced documentation, we did not note any business/public purposed which violated the requirements of Article 7, Section 14 of the Louisiana Constitution.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** Based on our review of the highest dollar reimbursement for each employee, we noted that each expense was supported by appropriate documentation and was approved by someone other than the person receiving the reimbursement.

## Contracts

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

**Results:** We obtained the above referenced documentation and management's representation that the population was complete.

19. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

**Results:** We obtained the contract for each of the five (5) vendors referenced above and noted that each was supported by a formal written contract.

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code.



We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

**Results:** Based on our review of the five (5) contracted vendor referenced above, we noted that none of the contracts were subject to Louisiana Public Bid Law. We noted the JK Haynes Charter Schools, Inc. did solicit quotes for each contract.

- c) We reported whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contemplated or provided for such an amendment.

**Results:** Based on our review of five (5) contracts referenced above, we did not note any amendments.

- d). We selected the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

**Results:** Based on our review of the highest dollar payment from each of the five (5) contracts referenced above, we noted that the invoice and related payments complied with the terms of the contract.

- e) We obtained/reviewed contract documentation and board minutes  
f) and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Results:** Based on our review of the above referenced documentation, we did not note any policy that required Board approval on contracts.

## Payroll and Personnel

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20. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:



**Results:** We obtained the above referenced listing and management's representation that the population was complete.

- a) We reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

**Results:** Based on our review of five (5) employees and their related employment contracts, we noted that payments have been made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

- b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** Based on our review of five (5) employees and their related employment contracts, we noted that two (2) employees received a pay raise during the fiscal period. We noted that the changes were approved in writing and in accordance with the written policy.

21. We obtained attendance and leave records and randomly selected one (1) pay period which leave has been taken by at least (1) employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**Results:** Based on our review of 25 randomly selected employees, we noted that all selected employees documented their attendance and leave.

- b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

**Results:** Based on our review of six (6) randomly selected employees, we noted written documentation of supervisor approval of attendance and leave for each selected employee.

- c) We reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**Results:** Based on our review of the above referenced records, we noted that JK Haynes Charter Schools, Inc. maintained leave records for each selected employee.

22. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**Results:** We obtained the above listing and management's representation that the list was complete. We selected the only termination payment for review. Based on our review of the selected payment, we noted that the payment was made in strict accordance with the policy and approved by management.

23. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Results:** Based on our review of the above reference documentation, we noted that employee and employer portions of payroll taxes and retirement contribution were submitted to the applicable agencies by required deadline.

## Other

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24. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** Based on our inquiry with management and review of the general ledger, we noted that JK Haynes Charter Schools, Inc. had no misappropriations of public funds or assets.

25. We observed and reported whether JK Haynes Charter Schools Inc. has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.la.gov/hotline](http://www.la.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** Based on our observation of JK Haynes Charter Schools, Inc. website and premises, we noted the appropriate posting of the notice for misappropriation, fraud, Waste or abuse of public funds.

26. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above each exception.

**Results:** We did not observe or identify any exceptions.

This agreed-upon procedures engagement was performed in accordance with the attestation Standard established by the American Institute of Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or any other purpose.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of JK Haynes Charter Schools Inc., and the LLA and is not intended to be 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 purpose. The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results of that testing, and not to provide an opinion or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513 this report is distributed by LLA as a public document.

*Bobbie L. Howard, CPA, APAC*

December 11, 2017