

**MILLER-MCCOY ACADEMY  
FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA**

Audit of Financial Statements

June 30, 2012

## Contents

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<b>Independent Auditor's Report</b>	<b>1 - 2</b>
-------------------------------------	--------------

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### **Financial Statements**

Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9

---

<b>Independent Accountant's Report on Applying Agreed-Upon Procedures</b>	<b>11 - 14</b>
---	----------------

---

<b>Schedules Required by Louisiana State Law (R.S. 24:514 - Performance and Statistical Data):</b>	<b>15 - 16</b>
--	----------------

	Schedule	
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	17
Education Levels of Public School Staff	2	18
Number and Type of Public Schools	3	19
Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers	4	20
Public School Staff Data	5	21
Class Size Characteristics	6	22
Louisiana Educational Assessment Program (LEAP)	7	23
Graduation Exit Exam	8	24
iLEAP Test Results	9	25

## Contents (Continued)

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### Supplementary Information

Schedule of Board of Directors	27
--------------------------------	----

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<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	28 - 29
--	---------

---

<b>Schedule of Findings and Responses</b>	30
---	----

---

<b>Schedule of Prior Year Findings and Question Costs</b>	31
---	----

## Independent Auditor's Report

To the Board of Directors  
Miller-McCoy Academy for Mathematics and Business  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Miller-McCoy Academy for Mathematics and Business (the School) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's 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 Miller-McCoy Academy for Mathematics and Business as of June 30, 2012, 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.

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

The Performance and Statistical Data included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School taken as a whole. The accompanying schedule of board of directors is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The schedule of board of directors 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in cursive script, reading "LaPorte".

A Professional Accounting Corporation

December 13, 2012

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Statement of Financial Position**  
**June 30, 2012**

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<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 569,135
Grants Receivable	72,031
Prepaid Expenses	<u>15,800</u>
<b>Total Assets</b>	<u><u>\$ 656,966</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 85,879
Accrued Expenses	<u>216,961</u>
<b>Total Liabilities</b>	<u>302,840</u>
<b>Net Assets</b>	
Unrestricted	<u>354,126</u>
<b>Total Net Assets</b>	<u>354,126</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 656,966</u></u>

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	<b>Unrestricted</b>
<b>Revenue, Grants and Other Support</b>	
State Public School Funding	\$ 4,424,678
Federal Sources	447,722
Other Income	142,988
Private Grants and Donations	<u>79,305</u>
<b>Total Revenue, Grants and Other Support</b>	<u>5,094,693</u>
<b>Expenses</b>	
Program Services	
Regular Education Programs	2,230,640
School Administration	934,225
Student Transportation Services	541,495
Special Education Programs	266,695
Operation and Maintenance of Plant Services	216,259
Pupil Support Services	137,590
Other Instructional Programs	108,829
Food Service Operations	80,068
Instructional Staff Services	37,762
Management and General	
General Administration	195,989
Business Services	105,513
Central Services	<u>1,040</u>
<b>Total Expenses</b>	<u>4,856,105</u>
<b>Change in Net Assets</b>	238,588
<b>Net Assets, Beginning of Year</b>	<u>115,538</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 354,126</u></u>

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

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<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 238,588
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
(Increase) Decrease in:	
Grants and Other Receivables	41,972
Prepaid Expenses	(15,800)
Increase (Decrease) in:	
Accounts Payable	(121,358)
Accrued Expenses	<u>42,890</u>
<b>Net Cash Provided by Operating Activities</b>	<u>186,292</u>
<b>Net Increase in Cash and Cash Equivalents</b>	186,292
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>382,843</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 569,135</u></u>

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



**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

Miller-McCoy Academy for Mathematics and Business (the School) applied to the Louisiana State Board of Elementary and Secondary Education (BESE) to operate a Type V charter school as defined in Louisiana R.S. 17:3971, et. seq. The School serves eligible students in grades 5 through 12, primarily in Orleans Parish.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Financial Statement Presentation**

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

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

**Basis of Accounting**

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

**Revenues**

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1<sup>st</sup>, payable in monthly installments. The School received \$4,424,678 from the State based on eligible students in attendance on a monthly basis. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**Grants Receivable**

As of June 30, 2012, based on management's experience with the collection of grants from the State of Louisiana, the receivable is considered to be fully collectible.

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fixed Assets and Depreciation**

The School presently does not have any fixed assets. All fixed assets are the property of the Recovery School District and as such are the responsibility of the Recovery School District. Betterments, which naturally add to the value of related assets or materially extend the useful lives of assets, are capitalized. Fixed assets are capitalized when the value of a single item exceeds \$5,000 and the item's useful life exceeds one year with reasonable expectation. Normal building maintenance and minor equipment purchases are included as expenses of the School.

**Income Taxes**

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

**Statement of Cash Flows**

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

**Use of Estimates**

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

**Concentrations**

The School received 87% of its revenues for the year ended June 30, 2012, from the State of Louisiana (the State), subject to its charter agreement with the State, and 9% of its funding from the Federal Government.

**Concentrations of Credit Risk Arising From Cash Deposits in Excess of Insured Limits**

The School periodically maintains cash in bank accounts in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**Compensated Absences**

The School grants all contracted employees of the School a total of 10 days of sick pay per year, provided that the employee is contracted for a full year. The employee must use all sick pay by July 1<sup>st</sup> of each year. Sick pay is not paid out to employees.

**Note 2. Cash and Cash Equivalents**

The School's cash and cash equivalents (book balances) at June 30, 2012, were \$569,135, which are stated at cost which approximates market.

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Grants Receivable**

As of June 30, 2012, grants receivable consisted of amounts due from the following sources:

Federal Grants	\$ 71,317
Other	<u>714</u>
<b>Total</b>	<b><u>\$ 72,031</u></b>

All amounts listed above are considered fully collectible.

**Note 4. Retirement Plan**

Employees of the School are eligible to participate in the defined contribution plan administered by ING. Pertinent information relative to the plan follows:

**Plan Description**

The plan is a 403(b) defined contribution plan.

**Funding Policy**

Employees are allowed to make contributions during the year subject to the limitations imposed by the IRS. The School is currently not contributing to the plan.

**Note 5. Fixed Assets**

No depreciation expense was incurred for 2012; the Recovery School District provided computers and other capital supplies, as well as leased space to the School. Therefore, no fixed assets were in service for the 2011 - 2012 school year.

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

**Note 6. Leases**

The School is obligated under a lease with the Recovery School District (RSD) for the modular campus located at 7301 Dwyer Road, New Orleans, Louisiana. The lease is classified as an operating lease and the lease term coincides with the terms of the charter contract between the School and BESE. The RSD will forgo any lease payments for the term of the lease.

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 6. Leases (Continued)**

The School is obligated under two leases for copiers. Both lease agreements are classified as operating leases. One lease has a term of 60 months with a monthly base charge of \$207 which began in July 2009. The other lease has a term of 36 months with a monthly base charge of \$598 and began in October 2010.

Future minimum lease payments are as follows for the years ended June 30<sup>th</sup>:

<b>Year</b>	<b>Amount</b>
2013	\$ 4,277
2014	<u>2,484</u>
<b>Total</b>	<u><u>\$ 6,761</u></u>

**Note 7. Advertising**

The School expenses advertising cost as incurred. Advertising costs are incurred primarily in the recruitment of students. Current year advertising expense was \$16,441.

**Note 8. Uncertain Income Taxes**

The School's 2008, 2009, and 2010 tax returns were filed appropriately. As of December 13, 2012, the School had not filed their 2011 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2008 through 2010. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Note 9. Subsequent Events**

On December 5, 2012, BESE voted to renew the School's charter for an additional 3 year term.

Management has evaluated subsequent events through the date that the final statements were available to be issued, December 13, 2012, and determined that no other events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

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

To the Board of Directors  
Miller-McCoy Academy for Mathematics and Business  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Miller-McCoy Academy for Mathematics and Business (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Miller-McCoy Academy for Mathematics and Business, 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). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings that relate to the accompanying schedules of supplementary information are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Findings:

None

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

2. We reconciled the total number of full time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers" (Schedule 4) to the combined total number of full time classroom teachers per this schedule, and to the School's supporting payroll records, as of October 1<sup>st</sup>.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals and full time teachers by classification as of October 1<sup>st</sup>, and as reported on the schedule. We traced 25 of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None

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

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the Schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.

Findings:

None

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

6. We obtained a list of principals, assistant principals and full time teachers by classification as of October 1<sup>st</sup>, and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings:

None

#### Public School Staff Data (Schedule 5)

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

Findings:

None

#### Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None

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

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

Findings:

None

#### Graduation Exit Exam (Schedule 8)

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

Findings:

None



iLEAP Test Results (Schedule 9)

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

Findings:

None

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



A Professional Accounting Corporation

December 13, 2012

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**Schedules Required by Louisiana State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and For the Year Ended June 30, 2012**

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

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

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; 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 principals, assistant principals and full time teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

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

**Schedule 6 - Class Size Characteristics**

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

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

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

**Schedule 8 - Graduation Exit Exam**

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**Schedules Required by Louisiana State Law**  
**(R.S. 24:514 - Performance and Statistical Data) (Continued)**  
**As of and For the Year Ended June 30, 2012**

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**Schedule 9 - iLEAP Test Results**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 in each category tested. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes three years of data.

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS  
NEW ORLEANS, LOUISIANA  
General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2012**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities**

Classroom Teacher Salaries	\$ 1,501,946
Other Instructional Staff Salaries	120,503
Instructional Staff Employee Benefits	258,903
Purchased Professional and Technical Services	143,368
Instructional Materials and Supplies	175,732
Instructional Equipment	-

**Total Teacher and Student Interaction Activities** \$ 2,200,452

Other Instructional Activities 7,195

Pupil Support Services	137,590
Less: Equipment for Pupil Support Services	-

**Net Pupil Support Services** 137,590

Instructional Staff Services	37,370
Less: Equipment for Instructional Staff Services	-

**Net Instructional Staff Services** 37,370

School Administration	900,722
Less: Equipment for School Administration	-

**Net School Administration** 900,722

**Total General Fund Instructional Expenditures** \$ 3,283,329

**Total General Fund Equipment Expenditures** \$ -

**Certain Local Revenue Sources**

**Local Taxation Revenue**

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-

**Total Local Taxation Revenue** \$ -

**Local Earnings on Investment in Real Property**

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-

**Total Local Earnings on Investment in Real Property** \$ -

**State Revenue in Lieu of Taxes**

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

**Total State Revenue in Lieu of Taxes** \$ -

Nonpublic Textbook Revenue	\$ -
Nonpublic Transportation Revenue	\$ -

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Education Levels of Public School Staff**  
**As of October 1, 2011**

**Schedule 2**

Category	Full Time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	17	74%	7	78%			1	33%
Master's Degree	6	26%	2	22%			1	33%
Master's Degree +30								
Specialist in Education								
Ph. D. or Ed. D.							1	34%
<b>Total</b>	<b>23</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>100%</b>

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Number and Type of Public Schools**  
**For the Year Ended June 30, 2012**

**Schedule 3**

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

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Experience of Public Principals, Assistant Principals**  
**and Full Time Classroom Teachers**  
**As of October 1, 2011**

**Schedule 4**

	0 - 1 Yr.	2 - 3 Yrs.	4 -10 Yrs.	11 - 14 Yrs.	15 -19 Yrs.	20 - 24 Yrs.	25+ Yrs.	<b>Total</b>
Assistant Principals			1					<b>1</b>
Principals			1	1				<b>2</b>
Classroom Teachers	5	5	12	6	1		3	<b>32</b>
<b>Total</b>	<b>5</b>	<b>5</b>	<b>14</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>35</b>

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Public School Staff Data**  
**For the Year Ended June 30, 2012**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$50,732	\$50,732
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$49,487	\$49,487
<b>Number of Teacher Full Time Equivalents (FTEs) used in Computation of Average Salaries</b>	32.12	32.12

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



**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Class Size Characteristics**  
**As of October 1, 2011**

**Schedule 6**

<b>School Type</b>	<b>Class Size Range</b>							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	59%	48	39%	32	2%	2	0%	0
Combination Activity Classes	25%	4	50%	8	19%	3	6%	1

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Louisiana Educational Assessment Program (LEAP)**  
**For the Year Ended June 30, 2012**

**Schedule 7**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 8</b>																								
Advanced	1	2%	1	1%	0	0%	1	2%	1	1%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	4	9%	6	8%	0	0%	2	5%	2	3%	0	0%	5	11%	10	13%	0	0%	4	9%	9	12%	0	0%
Basic	24	52%	33	45%	2	25%	25	54%	41	56%	1	12%	17	37%	30	40%	0	0%	27	59%	40	52%	0	0%
Approaching Basic	16	35%	25	35%	5	63%	17	37%	15	21%	3	38%	19	41%	20	26%	5	83%	11	23%	19	25%	6	100%
Unsatisfactory	1	2%	8	11%	1	12%	1	2%	14	19%	4	50%	4	9%	16	21%	1	17%	4	9%	8	11%	0	0%
<b>Total</b>	<b>46</b>	<b>100%</b>	73	100%	8	100%	<b>46</b>	<b>100%</b>	73	100%	8	100%	<b>46</b>	<b>100%</b>	76	100%	6	100%	<b>46</b>	<b>100%</b>	76	100%	6	100%

Note: The School did not have grade 4 during any of the years listed. In addition, the School only had grade 8 for the 2011 and 2012 school years. However, for the year ended June 30, 2010, the state required 8 of the School's 9<sup>th</sup> grade students to retake the LEAP Exam.

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Graduation Exit Exam**  
**For the Year Ended June 30, 2012**

**Schedule 8**

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 10</b>												
Advanced	N/A		0	0%	0	0%	N/A		1	2%	0	0%
Mastery	N/A		1	2%	3	4%	N/A		1	2%	6	7%
Basic	N/A		12	21%	25	30%	N/A		15	24%	23	27%
Approaching Basic	N/A		17	29%	28	33%	N/A		16	26%	21	25%
Unsatisfactory	N/A		28	48%	28	33%	N/A		28	46%	34	41%
<b>Total</b>	<b>N/A</b>		<b>58</b>	<b>100%</b>	<b>84</b>	<b>100%</b>	<b>N/A</b>		<b>61</b>	<b>100%</b>	<b>84</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 11</b>												
Advanced	1	3%	0	0%	N/A		0	0%	0	0%	N/A	
Mastery	1	3%	3	5%	N/A		1	3%	0	0%	N/A	
Basic	12	39%	28	42%	N/A		16	52%	22	33%	N/A	
Approaching Basic	7	23%	13	20%	N/A		9	29%	26	39%	N/A	
Unsatisfactory	10	32%	22	33%	N/A		5	16%	18	28%	N/A	
<b>Total</b>	<b>31</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>N/A</b>		<b>31</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>N/A</b>	

Note: The School had no grade 11 for the year ended June 30, 2010. The State of Louisiana did not perform 10<sup>th</sup> Grade Graduation Exit Exam testing for English and Mathematics during 2012.

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

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**iLEAP Test Results**  
**For the Year Ended June 30, 2012**

**Schedule 9**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 5</b>																								
Advanced	7	17%	0	0%	N/A		0	0%	1	3%	N/A		0	0%	0	0%	N/A		0	0%	0	0%	N/A	
Mastery	4	10%	1	3%	N/A		0	0%	1	3%	N/A		1	2%	2	6%	N/A		0	0%	2	6%	N/A	
Basic	11	26%	8	27%	N/A		12	29%	11	37%	N/A		11	26%	5	16%	N/A		14	33%	10	32%	N/A	
Approaching Basic	7	17%	11	35%	N/A		8	19%	8	27%	N/A		12	29%	17	55%	N/A		10	24%	10	32%	N/A	
Unsatisfactory	13	30%	11	35%	N/A		22	52%	9	30%	N/A		18	43%	7	23%	N/A		18	43%	9	30%	N/A	
<b>Total</b>	<b>42</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>N/A</b>		<b>42</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>N/A</b>		<b>42</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>N/A</b>		<b>42</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>N/A</b>	

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 6</b>																								
Advanced	1	1%	0	0%	0	0%	2	2%	2	2%	1	1%	2	2%	3	4%	0	0%	9	10%	7	8%	5	7%
Mastery	9	10%	5	6%	4	5%	6	7%	3	4%	2	3%	6	7%	5	6%	0	0%	10	12%	14	17%	8	13%
Basic	34	40%	38	46%	27	40%	35	41%	46	56%	37	55%	33	39%	43	52%	27	40%	37	43%	39	47%	34	51%
Approaching Basic	29	34%	28	34%	27	40%	18	21%	17	20%	11	16%	25	29%	24	28%	28	41%	20	23%	14	17%	15	22%
Unsatisfactory	13	15%	12	14%	10	15%	24	29%	15	18%	17	25%	20	23%	8	10%	13	19%	10	12%	9	11%	5	7%
<b>Total</b>	<b>86</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>68</b>	<b>100%</b>	<b>85</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>68</b>	<b>100%</b>	<b>86</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>68</b>	<b>100%</b>	<b>86</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>67</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 7</b>																								
Advanced	1	1%	0	0%	1	1%	1	1%	2	2%	0	0%	0	0%	2	2%	1	1%	8	8%	5	6%	16	19%
Mastery	7	7%	5	6%	11	13%	4	4%	1	1%	9	11%	5	5%	9	11%	7	8%	17	18%	10	12%	30	35%
Basic	44	47%	37	45%	49	58%	47	50%	46	57%	44	51%	30	31%	34	41%	40	48%	41	43%	47	57%	31	36%
Approaching Basic	34	35%	31	37%	18	21%	24	26%	19	23%	17	20%	32	33%	28	34%	24	28%	17	18%	14	17%	5	6%
Unsatisfactory	10	10%	10	12%	6	7%	18	19%	14	17%	15	18%	29	31%	10	12%	13	15%	13	13%	7	8%	3	4%
<b>Total</b>	<b>96</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>85</b>	<b>100%</b>	<b>94</b>	<b>100%</b>	<b>82</b>	<b>100%</b>	<b>85</b>	<b>100%</b>	<b>96</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>85</b>	<b>100%</b>	<b>96</b>	<b>100%</b>	<b>83</b>	<b>100%</b>	<b>85</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics			
	2012		2011		2012		2011	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 9</b>								
Advanced	N/A		N/A		0	0%	N/A	
Mastery	N/A		N/A		1	2%	N/A	
Basic	N/A		N/A		24	41%	N/A	
Approaching Basic	N/A		N/A		29	49%	N/A	
Unsatisfactory	N/A		N/A		5	8%	N/A	
<b>Total</b>	<b>N/A</b>		<b>N/A</b>		<b>59</b>	<b>100%</b>	<b>N/A</b>	

Note: The School had no grade 3 for each of the years listed above. Additionally, the School had no grades 5 for the year listed as not applicable above. In regards to grade 9, students no longer take the iLEAP as of June 30, 2011.

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

## **SUPPLEMENTARY INFORMATION**

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Schedule of Board of Directors**  
**For the Year Ended June 30, 2012**

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<b><u>Board Members</u></b>	<b><u>Compensation</u></b>
Michael Todd, Chairman	\$-0-
Nat Jones, Vice-Chairman	\$-0-
Blake Oakes, Secretary	\$-0-
David Bailey, Treasurer	\$-0-
Ralph Brennan	\$-0-
Kelly Brown	\$-0-
Joseph Byrd	\$-0-
Martin de Laoreal	\$-0-
Betty Hope	\$-0-
Margo Phelps	\$-0-
Damon Singleton	\$-0-
Lynes Sloss	\$-0-
Benton Smallpage	\$-0-
Randall Walker	\$-0-
Tyronne Walker	\$-0-

All board members can be contacted through the School at (504) 373-6125.

**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  
Miller-McCoy Academy for Mathematics and Business  
New Orleans, Louisiana

We have audited the financial statements of Miller-McCoy Academy for Mathematics and Business (the School) 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 of the School is responsible for establishing maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing 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 the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

*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 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. We consider the deficiency listed as 2012-1 in the accompanying schedule of findings and responses to be a material weakness.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2012-1 and 2012-2.

The School's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the School's responses and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and the Louisiana Department of Education and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

A Professional Accounting Corporation

December 13, 2012



## **Internal Control Over Financial Reporting**

### **2012 - 1 Contract Review and Approval**

Criteria:	The role of governance and their responsibilities includes overseeing the actions of upper management as well as review of significant account transactions for propriety and compliance with provision of laws and regulations.
Condition:	During our audit, we were made aware of a contract between the Academy and a service vendor which may violate the provisions of LRS 42:1112.
Cause:	Contracts were not approved by the Board.
Recommendation:	We recommend the Board review and approve all contracts.
Management's Response:	As of September 10, 2012, the Board passed a resolution requiring all contracts, no matter the dollar amount, be approved by the Board.

## **Compliance and Other Matters**

### **2012 - 2 Hiring and Employment Policies**

Criteria:	Nepotism affecting government entities is governed by LRS 42:1119.
Condition:	Two siblings of the co-principal were employed by the Academy during the year, which may be a violation of the provisions of LRS 42:1119.
Cause:	The cause of this is an oversight and a lack of understanding of the statute by the co-principals who are charged with the hiring of Academy personnel.
Recommendation:	We recommend the Academy review the provisions of LRS regarding nepotism and establish hiring policies with appropriate levels of review by the Board to ensure compliance with the statute.
Management's Response:	Management will establish hiring policies in order to fully comply with the provisions of LRS 42:1119.

**MILLER-MCCOY ACADEMY FOR MATHEMATICS AND BUSINESS**  
**NEW ORLEANS, LOUISIANA**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

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None.