

ALGIERS CHARTER SCHOOLS ASSOCIATION
FINANCIAL REPORT
For the Year Ended June 30, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 06 2013**

ALGIERS CHARTER SCHOOLS ASSOCIATION

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FINANCIAL SECTION

**Hienz
Macaluso** LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 28, 2012

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter Schools Association, ("ACSA") (A Nonprofit Organization and a component unit of Orleans Parish School Board), as of and for the year ended June 30, 2012, which collectively comprise ACSA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACSA'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 position. 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of ACSA as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 on our consideration of ACSA'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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 22 and 23, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ACSA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards on page 28 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of ACSA. The Schedule of Expenditures of Federal Awards 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 basic 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 accompanying financial statements have been prepared assuming that ACSA will continue as a going concern. As discussed in Note 9 to the financial statements, ACSA's charter terminates on June 30, 2013. As of the date of this report, the charter has been awarded to another charter management organization. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 9. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOLS ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2012

Algiers Charter School Association (“ACSA”) management’s discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity of the two schools which it operates, identify ACSA’s financial position and its ability to address the next and subsequent years’ challenges. It also identifies any material deviations from the financial plan and identifies individual school issues or concerns. This is a requirement of the Governmental Accounting Standards Board in their Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and is intended to provide the financial results for the year ended June 30, 2012. The following is an illustration of how these financial reports are presented.

GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government- Wide Financial Statements

The government-wide financial statements provide a perspective of ACSA as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds’ current financial resources with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user’s analysis of the costs of various school services.

Fund Financial Statements

The fund statements are similar to financial presentations of typical governmental agencies, focusing on ACSA’s Major Funds. The fund statements are reported using the modified accrual accounting method. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as assets. Fund types include the General Fund, Special Revenue funds, and a Fiduciary Fund. The General Fund is used primarily to account for the general education requirements of the ACSA. Its revenues are derived from state and federal grants. The Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The Fiduciary Fund accounts for assets held by the ACSA in a trustee capacity as an agent for various student groups and parents.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2012

TABLE 1
NET ASSETS

ASSETS	
Current and other assets	\$ 8,166,763
Capital assets, net	365,427
Total Assets	<u>8,532,190</u>
LIABILITIES	
Current liabilities	2,270,528
Non-current liabilities	108,053
Total Liabilities	<u>2,378,581</u>
NET ASSETS	
Invested in capital assets, net of related debt	365,427
Unrestricted	5,788,182
Total Net Assets	<u>\$ 6,153,609</u>

TABLE 2
CHANGES IN NET ASSETS

REVENUE	
Program Revenues	
Charges for Services	\$ 39,365
Operating grants and contributions	4,562,783
General Revenues	
Minimum Foundation Program	12,993,879
Contributions and donations	3,216
Loss on disposal of asset	(37,365)
Miscellaneous revenue	308,715
Interest and investment earnings	285
Total Revenues	<u>17,870,878</u>
EXPENSE	
Instruction	
Regular	5,867,713
Special Education	1,167,340
Other	600,784
Special Programs	953,627
Support Services	
Student Services	1,123,111
Instructional Staff Support	1,673,200
General Administration	283,512
School Administration	1,634,318
Business Services	698,737
Operation and maintenance of plant	1,173,258
Student transportation services	1,223,052
Central Services	1,021,386
Food Service	481,406
Other Uses of Funds	304,316
Depreciation	289,327
Total Expenses	<u>18,495,087</u>
Decrease in Net Assets	<u>(624,209)</u>
Net Assets, Beginning of Year	<u>6,777,818</u>
Net Assets, End of Year	<u>\$ 6,153,609</u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2012

Minimum Foundation Program

A significant portion of the state funding to ACSA is the Minimum Foundation Program (MFP). The MFP is funding from the state and local government for each student and is established annually. ACSA's MFP funding was \$12,993,879 for the 2011/2012 school year.

Title I Grant

This grant is a federally funded grant that is passed through the State Board of Education to help local schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards. As of June 30, 2012, \$1,018,270 was expended and received.

Economic Factors and Next Year's Budget

In the 2012/2013 School year, ACSA expects a projected combined enrollment of 1,658 students for Alice M. Harte Elementary and Edna Karr Senior High.

The majority of revenues are from the Minimum Foundation Program (MFP). The projected MFP funding for the 2012/2013 school year, which is based on student count, should total approximately \$13.8 million. Based on information received from the state, ACSA anticipates receiving federal grants for the 2012/2013 school year totaling \$2.0 million. ACSA will budget expenses according to the projected revenues; however, ACSA expects to make adjustments as the actual revenues change. ACSA plans to have little or no surplus at June 30, 2012. ACSA anticipates that while they will have to expend these funds throughout the year, they will be seeking reimbursement during the school year on a monthly and quarterly basis as opposed to claims at the end of the year.

Contacting ACSA's Financial Management

While the financial report is designed to provide full and complete disclosure of the financial condition and operation of ACSA, citizens, groups, tax payers, parents, students, and other parish officials, investors or creditors may need further details. To obtain such details, please contact Algiers Charter Schools Association, 3712 MacArthur, Suite 100A, New Orleans, LA 70114, or by calling (504) 302-7000 during regular office hours, Monday through Friday, 9:00 a.m. to 5:00 p.m., Central Standard Time, or e-mail at Charlie.Mackles@theacsa.org.

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 6,432,558
Receivables	
Intergovernmental	1,722,175
Other	2,839
Prepaid expenses	7,091
Deposits	2,100
Invested in capital assets, net of related debt	<u>365,427</u>
Total assets	<u>8,532,190</u>
<u>LIABILITIES</u>	
Accounts payable	415,791
Accrued expenses	1,248,044
Due to pooled cash	117,768
Due to other agencies	372,569
Deferred Revenue	81,311
Loans Payable	<u>143,098</u>
Total liabilities	<u>2,378,581</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	365,427
Unrestricted	<u>5,788,182</u>
Total net assets	<u>\$ 6,153,609</u>

The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and
				Changes in Net Assets
Governmental Activities				
Instruction				
Regular	\$ 5,867,713	\$ -	\$ 1,447,579	\$ (4,420,134)
Special Education	1,167,340	-	287,986	(879,354)
Other	600,784	-	148,215	(452,569)
Special Programs	953,627	-	235,262	(718,365)
Support Services				
Student Services	1,123,111	-	277,074	(846,037)
Instructional Staff Support	1,673,200	-	412,783	(1,260,417)
General Administration	283,512	-	69,943	(213,569)
School Administration	1,634,318	-	403,190	(1,231,128)
Business Services	698,737	-	172,380	(526,357)
Plant Services	1,173,258	-	289,446	(883,812)
Student transportation services	1,223,052	-	301,730	(921,322)
Central Services	1,021,386	-	251,978	(769,408)
Food Services	481,406	39,365	118,764	(323,277)
Other Uses of Funds	304,316	-	75,076	(229,240)
Depreciation	289,327	-	71,377	(217,950)
Total governmental activities	18,495,087	39,365	4,562,783	(13,892,939)
General Revenues				
Grants and contributions not restricted to specific purposes				
Minimum Foundation Program				12,993,879
Contributions & donations				3,216
Loss on disposal of asset				(37,365)
Miscellaneous Revenue				308,715
Interest Income				285
Total general revenues				13,268,730
Change in net assets				(624,209)
Net assets, beginning of year,				6,777,818
Net assets, ending of year				\$ 6,153,609

The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOLS ASSOCIATION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2012

	School Funds			Special Revenue Funds			Interfund	Total Governmental
	School Support Center	Harte	Karr	School Support Center	Harte	Karr	Eliminations	Funds
ASSETS								
Cash and cash equivalents	\$ 6,097,354	\$ 189,226	\$ 145,978	\$ -	\$ -	\$ -	\$ -	\$ 6,432,558
Receivables								
Grants	-	-	-	-	423,765	1,298,410	-	1,722,175
Other	8,798	(7,009)	1,057	(7)	-	-	-	2,839
Due from - pooled cash	-	2,633,066	3,443,379	45,536	3,792	9,050	(6,134,823)	-
Prepaid expenses	5,091	1,000	1,000	-	-	-	-	7,091
Deposits	-	1,050	1,050	-	-	-	-	2,100
Total Assets	6,111,243	2,817,333	3,592,464	45,529	427,557	1,307,460	(6,134,823)	8,166,763
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	261,522	67,378	76,037	32	2,271	8,551	-	415,791
Accrued expenditures	1,248,044	-	-	-	-	-	-	1,248,044
Due to - pooled cash	4,419,381	-	-	45,497	465,395	1,322,318	(6,134,823)	117,768
Due to other agencies	37,365	189,226	145,978	-	-	-	-	372,569
Deferred Revenue	1,833	-	-	-	5,568	73,910	-	81,311
Loans Payable	-	-	-	-	-	-	-	-
Total Liabilities	5,968,145	256,604	222,015	45,529	473,234	1,404,779	(6,134,823)	2,235,483
Fund balances								
Restricted	-	-	-	-	5,568	73,910	-	79,478
Committed	-	69,568	11,389	-	268,782	190,527	-	540,266
Unassigned	143,098	2,491,161	3,359,060	-	(320,027)	(361,756)	-	5,311,536
Total Fund Balances	143,098	2,560,729	3,370,449	-	(45,677)	(97,319)	-	5,931,280
Total Liabilities and Fund Balances	\$ 6,111,243	\$ 2,817,333	\$ 3,592,464	\$ 45,529	\$ 427,557	\$ 1,307,460	\$ (6,134,823)	\$ 8,166,763

The accompanying notes are an integral part of these financial statements

**ALGIERS CHARTER SCHOOLS ASSOCIATION
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Amounts reported for governmental activities in the Statement of Net Assets
are different because

Fund Balances, Total Governmental Funds at June 30, 2012		\$ 5,931,280
Cost of capital assets at June 30, 2012	1,925,087	
Less accumulated depreciation as of June 30, 2012	<u>(1,559,660)</u>	365,427
Long -Term Liabilities		
Long-term portion of	<u>(143,098)</u>	<u>(143,098)</u>
Net Assets at June 30, 2012		<u>\$ 6,153,609</u>

The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

	School Funds			Special Revenue Funds			Total Governmental Funds
	School Support Center	Harte	Karr	School Support Center	Harte	Karr	
REVENUES							
State public school funding	\$ 31	\$ 5,316,950	\$ 7,614,402	\$ -	\$ 18,251	\$ 44,245	\$ 12,993,879
Other state funding	-	(760)	4,795	-	24,875	51,320	80,230
Federal Grants	-	-	-	1,939	834,850	1,842,626	2,679,415
School food reimbursement	-	-	-	-	279,341	159,243	438,584
Donations and contributions	1,609	662	945	-	-	-	3,216
Interest income	142	59	84	-	-	-	285
Other revenue	2,512,847	(310,798)	(440,944)	31,455	39,992	23,180	1,855,732
Total Revenues	2,514,629	5,006,113	7,179,282	33,394	1,197,309	2,120,614	18,051,341
EXPENDITURES							
Salaries and benefits	884,527	3,840,963	5,090,740	-	883,236	1,570,168	12,269,634
Professional and technical services	147,402	654,162	1,024,730	-	19,346	159,343	2,004,983
Travel	14,754	28,642	25,597	-	11,948	66,199	147,140
Supplies	30,663	178,447	444,306	-	15,050	60,143	728,609
Utilities	5,988	30,073	99,459	-	4,167	7,280	146,967
Rent	59,824	27,781	15,235	-	209	10,210	113,259
Insurance	-	15,312	65,840	-	-	-	81,152
Repairs and maintenance	2,592	24,972	169,085	-	-	5,421	202,070
Food Service	-	-	-	-	268,782	190,527	459,309
Transportation	1,160	456,827	694,770	-	855	69,440	1,223,052
Other	224,968	177,411	418,213	1,939	3,784	3,270	829,585
Total Expenditures	1,371,878	5,434,590	8,047,975	1,939	1,207,377	2,142,001	18,205,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,142,751	(428,477)	(868,693)	31,455	(10,068)	(21,387)	(154,419)
Net Changes in Fund Balances	1,142,751	(428,477)	(868,693)	31,455	(10,068)	(21,387)	(154,419)
Fund Balances, Beginning of Year	(999,653)	2,989,206	4,239,142	(31,455)	(35,609)	(75,932)	6,085,699
Fund Balances (Deficit), End of Year	\$ 143,098	\$ 2,560,729	\$ 3,370,449	\$ -	\$ (45,677)	\$ (97,319)	\$ 5,931,280

The accompanying notes are an integral part of these financial statements

**ALGIERS CHARTER SCHOOLS ASSOCIATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Amounts reported for governmental activities in the Statement of Activities are different because

Total net change in fund balances - Governmental Funds	\$	(154,419)
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Governmental Funds report capital outlays as expenditures

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Revenue from loan	(143,098)	
Loss on disposal of asset	(37,365)	
Capital outlays	-	
Depreciation expense	(289,327)	(469,790)

Change in Net Assets of Governmental Activities	\$	<u>(624,209)</u>
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The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Algiers Charter Schools Association (“ACSA”) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

1. REPORTING ENTITY

The Orleans Parish School Board (“OPSB”) authorized by the Charter School Demonstration Programs Law and approved by the State Board of Elementary and Secondary Education (“BESE”), granted to ACSA, a nonprofit organization organized under the laws of the State of Louisiana and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, charters to operate one high school and one elementary school. The original five (5) year charter commencing on November 1, 2005 was renewed by BESE in January of 2012. The renewed charters are effective for four (4) years expiring June 15, 2015.

As authorized by the operating agreement between OPSB and ACSA, ACSA operates the following schools:

Alice M. Harte Elementary
Edna Karr Senior High

Although the schools listed above are the responsibility of ACSA, ACSA is recognized as a component unit of OPSB, as defined by Government Accounting Standards Board Statement No. 14, as amended by Statement No. 39. The accompanying financial statements present information only on the funds maintained by ACSA and do not present information on the OPSB.

In addition to the two (2) schools operated under the charter agreement with OPSB, ACSA operates six (6) schools under a charter agreement with BESE. These six (6) schools, Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and O. Perry Walker Senior High, are reported separately. Because the School Support Center provides services to all eight (8) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) display information about the reporting entity as a whole, except for the fiduciary activities of ACSA. Essentially, the effect of interfund activity has been removed from these statements.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. OPSB funding and other items not meeting the definition of program revenues are reported as *general revenues*.

The fund financial statements are used by ACSA to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain ACSA functions and activities. ACSA reports the following fund types:

Governmental funds

The General Fund is ACSA's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. ACSA reports a special revenue fund for each school under its operation.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ACSA considers revenues to be available if they are collected within 60 days after the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At June 30, 2012, the general fund and all special revenue funds were major funds.

When both restricted and unrestricted resources are available for use, it is ACSA's policy to use restricted resources first, then unrestricted resources as they are needed.

4 BUDGETARY ACCOUNTING

Budget Policies – Prior to the beginning of each year, an annual operating budget is prepared on the modified accrual basis for the General and Special Revenue Funds, the only fund types having legally adopted annual budgets.

The Director, in consultation with the staff, prepares ACSA's annual operating budget. The budget is based on the expected OPSB allocated revenues and other projected revenues for pupil expenditures. The Director presents the budget to ACSA's Board of Directors for review and revision. Finally, at an open meeting of the Board, the proposed budget is presented. The Board adopts the operating budget.

If, during the course of the fiscal year, it becomes evident that the estimated revenues, expenditures or ending fund balance may vary, then the Director shall inform ACSA's Board of such variances. Based on the information submitted, the Board of Directors of ACSA will adopt an amended budget and will seek ways to generate additional revenues, if necessary.

All appropriations lapse at fiscal year-end.

The budget data is reflected in the schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, (see pages 22 to 23).

5 CASH AND CASH EQUIVALENTS

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

6 INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from pooled cash". Short-term interfund loans are reported as "interfund receivables and

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6 INTERFUND TRANSACTIONS (CONTINUED)

payables” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets

7 CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements Capital assets are defined by ACSA as assets with an initial individual cost of more than \$5,000 Such assets are recorded at historical cost or estimated historical cost if purchased or constructed Donated capital assets are recorded at estimated fair market value at the date of donation

Depreciation on all capital assets is calculated on the straight-line method over the following estimated useful lives

<u>Asset Description</u>	<u>Asset Life</u>
Building and Improvements	20 to 50
Office Equipment	4 to 10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as property expenditures of the governmental fund upon acquisition The costs of normal maintenance and repairs that do not add to the assets or materially extend assets’ lives are not capitalized If the charter agreement of ACSA is revoked or ACSA otherwise ceases to operate, all assets purchased with any public funds become the property of the OPSB

9 FUNDING SOURCES

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

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support ACSA uses the direct write-off method of writing off uncollectible receivables

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9 FUNDING SOURCES (CONTINUED)

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

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

10 DEFERRED REVENUE

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

11 FUND BALANCE CLASSIFICATIONS

GASB 54 requires fund balances to be categorized as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Amounts that are restricted are those in which constraints have been placed on the use of the resource. Committed fund balances are those amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the board of directors. Assigned amounts are those that are constrained by management and the governing body, intended for a specific purpose, and not imposed by formal action. Unassigned fund balance is a residual classification for those amounts not restricted, committed, or assigned.

ACSA has a restricted fund balance \$79,478 and committed fund balance of \$540,266 consisting of contracts that have not been fulfilled as of June 30, 2012. Restricted and committed amounts are considered to have been spent first when an expenditure is incurred for the purpose of fulfilling an agreement or formal action imposed on the funds.

12 EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and displayed in three components.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12 EQUITY CLASSIFICATIONS (CONTINUED)

- a Invested in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation
- b Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”

13 ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits

ACSA had the following cash as of June 30, 2012

Governmental funds - Unrestricted.

Demand deposits	<u>\$6,432,558</u>
-----------------	---------------------------

Custodial credit risk is the risk that, in the event of a bank failure, ACSA’s deposits might not be recovered. ACSA does not have a deposit policy for custodial credit risk. At June 30, 2012, ACSA’s deposit bank balances of \$6,622,794 were entirely secured by federal deposit insurance and pledged securities held by ACSA’s agent in ACSA’s name.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – RETIREMENT PLANS

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

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

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

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

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

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

Contribution Required and Made – Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plan. Current contribution rates for the plan are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	23.7%

ACSA's contributions were \$2,061,049 for the year ended June 30, 2012.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2012 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
General Fund	\$ (4,419,381)	General Fund	\$ -
General Fund SR	(45,497)	General Fund SR	45,536
Harte GF	-	Harte GF	2,633,066
Karr GF	-	Karr GF	3,443,379
Harte SR	(465,395)	Harte SR	3,792
Karr SR	<u>(1,322,318)</u>	Karr SR	<u>9,050</u>
Total	<u>\$ (6,252,591)</u>		<u>\$ 6,134,823</u>

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

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note 1. The elimination of the due to/from pooled cash results in a "Due to Pooled Cash" balance of \$117,768. This amount is offset by an equal "Due from Pooled Cash" on the not-for-profit financial statements.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – CAPITAL ASSETS

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
Governmental Activities				
Capital assets being depreciated				
Building and improvements	\$ 127,251	\$ -	\$ (37,080)	\$ 90,171
Office equipment	<u>1,911,849</u>		<u>(76,934)</u>	<u>1,834,915</u>
 Total capital assets being depreciated	 <u>2,039,100</u>	 <u>-</u>	 <u>(114,014)</u>	 <u>1,925,086</u>
 Less accumulated depreciation for				
Building and improvements	40,307	4,703	(23,108)	21,902
Office equipment	<u>1,306,674</u>	<u>284,624</u>	<u>(53,541)</u>	<u>1,537,757</u>
 Total accumulated depreciation	 <u>1,346,981</u>	 <u>289,327</u>	 <u>(76,649)</u>	 <u>1,559,659</u>
 Total capital assets being depreciated, net	 <u>692,119</u>	 <u>(289,327)</u>	 <u>(37,365)</u>	 <u>365,427</u>
 Governmental Activities				
Capital assets, net	<u>\$ 692,119</u>	<u>\$ (289,327)</u>	<u>\$ (37,365)</u>	<u>\$ 365,427</u>

Depreciation expense was charged to functions/programs of ACSA as follows

Instruction	
Regular Programs	\$ 113,986
Special Education	20,947
Other	10,387
Special Education	13,974
Support services	
Student Services	\$ 15,632
Instructional staff support	17,823
General administration	4,137
School administration	29,801
Business administration	4,427
Plant services	22,596
Student transportation services	16,289
Central services	9,461
Food services	<u>9,866</u>
	<u>\$ 289,327</u>

Capital Assets balance at 2012 decreased from 2011 by \$326,692 due to a net of disposals in the amount of \$37,365 and depreciation in the amount of \$289,327

REQUIRED SUPPLEMENTARY INFORMATION

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CONTINGENT LIABILITIES

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

NOTE 7 – NOTE PAYABLE

Effective January 1, 2012, ACSA signed a loan agreement with Chartwells Division (Food Service Management Company) in the amount of \$500,000, of which \$157,700 was allocated as per the discussion in Note 1 to fund improvements of school cafeterias. The term of the loan is fifty-four (54) months, with monthly payments of \$2,920. The interest rate is zero (0)%. Imputed interest is determined to be immaterial and therefore not recorded as of June 30, 2012. The funds were deposited in ACSA's operating account and have not been expended as of the date of this report. As of June 30, 2012, the balance is \$143,098.

The total maturities of ACSA's note payable for the fiscal years ending June 30 are as follows:

2013	\$ 37,365
2014	35,045
2015	35,045
<u>2016</u>	<u>35,643</u>
Total	<u>\$ 143,098</u>

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – GOING CONCERN

ACSA's charters were set to expire on June 30, 2012. A one-year charter renewal was granted through June 30, 2013. As of the date of this report, the charters for Alice M. Harte Elementary and Edna Karr Senior High have been awarded to another charter management organization effective July 1, 2013.

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
HARTE SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues				
State public school funding	\$5,237,136	\$ 5,237,136	\$5,335,201	\$ 98,065
Other state funding	87,564	87,564	24,115	(63,449)
Federal grants	841,403	841,403	834,850	(6,553)
School food reimbursements	258,996	258,996	279,341	20,345
Donations and contributions	-	-	662	662
Other revenue	-	-	(270,747)	(270,747)
Total Revenues	6,425,099	6,425,099	6,203,422	(221,677)
Expenditures				
Salaries and benefits	4,576,973	4,576,973	4,724,199	(147,226)
Professional and technical services	646,153	646,153	673,508	(27,355)
Property services	159,718	159,718	- 52,962	106,756
Other services	853,623	853,623	- 782,366	71,257
Supplies and utilities	149,089	149,089	227,737	(78,648)
Other	106,893	106,893	181,195	(74,302)
Total Expenditures	6,492,449	6,492,449	6,641,967	(149,518)
Excess of Revenues				
Over Expenditures	(67,350)	(67,350)	(438,545)	(72,159)
Fund Balances, Beginning of Year	2,953,597	2,953,597	2,953,597	-
Fund Balances, End of Year	\$2,886,247	\$ 2,886,247	\$2,515,052	\$ (72,159)

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
KARR SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
Revenues				
State public school funding	\$ 7,500,096	\$ 7,500,096	\$ 7,658,647	\$ 158,551
Other state funding	147,006	147,006	56,115	(90,891)
Federal grants	1,973,341	1,973,341	1,842,626	(130,715)
School food reimbursements	182,812	182,812	159,243	(23,569)
Donations and contributions	-	-	945	945
Other revenue	-	-	(417,680)	(417,680)
Total Revenues	<u>9,803,255</u>	<u>9,803,255</u>	<u>9,299,896</u>	<u>(503,359)</u>
Expenditures				
Salaries and benefits	6,547,458	6,547,458	6,660,908	(113,450)
Professional and technical services	1,235,137	1,235,137	1,184,073	51,064
Property services	418,447	418,447	199,951	218,496
Other services	949,837	949,837	1,112,373	(162,536)
Supplies and utilities	701,333	701,333	611,188	90,145
Other	161,502	161,502	421,483	(259,981)
Total Expenditures	<u>10,013,714</u>	<u>10,013,714</u>	<u>10,189,976</u>	<u>(176,262)</u>
Excess of Revenues				
Over Expenditures	<u>(210,459)</u>	<u>(210,459)</u>	<u>(890,080)</u>	<u>(327,097)</u>
Fund Balances, Beg of Year	<u>4,163,210</u>	<u>4,163,210</u>	<u>4,163,210</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,952,751</u>	<u>\$ 3,952,751</u>	<u>\$ 3,273,130</u>	<u>\$ (327,097)</u>

SINGLE AUDIT SECTION

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Hienz Macaluso^{LLC}

Certified Public Accountants

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

December 28, 2012

Board of Directors of
Algiers Charter Schools Association

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter Schools Association ("ACSA") as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 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 ACSA, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered ACSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the ACSA's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting, referred to as finding 2012-1. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ACSA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACSA's response and, accordingly, we express no opinion on it.

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

Hienz & Macaluso, LLC

Metairie, LA

**Hienz
Macaluso** LLC
Certified Public Accountants

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

December 28, 2012

Board of Directors of
Algiers Charter Schools Association

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of ACSA's compliance with those requirements.

In our opinion, ACSA, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of ACSA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered ACSA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U S Department of Education</u>		
Direct Programs		
Teaching American History	84 215	\$ 437,586
Gulf Coast Recovery	84 215	449,250
Passed-Through State Department of Education.		
ESEA of 1965, Title I, Part A	84 010	1,018,270
IDEA, Part B	84 027	111,462
ESEA of 1965, Title II, Part A	84 367	153,732
Hurricane Katrina Foreign Contributions	84 940	9,335
Passed-Through National Institute for Excellence in Teaching:		
Teacher Incentive Fund	84 374	503,990
TOTAL U S DEPARTMENT OF EDUCATION		<u>2,683,625</u>
<u>U S Department of Agriculture</u>		
Passed-Through State Department of Agriculture		
National School Lunch Program		
Free and Reduced Price Meals	10 555	438,585
TOTAL U S DEPARTMENT OF AGRICULTURE		<u>438,585</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 3,122,209</u>

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

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

2 ACCRUED AND DEFERRED REIMBURSEMENT

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

3 PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2012.

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter Schools Association
2. A control deficiency disclosed during the audit of the financial statements is reported in the *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*
3. No instances of noncompliance material to the financial were disclosed during the audit
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*
5. The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter Schools Association expresses an unqualified opinion
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133
7. A management letter was not issued for the year ended June 30, 2012
8. The programs tested as major programs were

	<u>CFDA No</u>
National School Lunch Program	10 555
Special Education Grants to States	84 207
ESEA of 1965, Title I, Part A	84 010
9. The threshold for distinguishing between type A and type B programs was \$300,000
10. Algiers Charter Schools Association was determined to not be a low-risk auditee

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
JUNE 30, 2012

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2012-1 Food Service Accounts

During the course of our audit, we noted that the food services cash account has a misappropriation of approximately \$500 which was detected by the client in May of 2012. During our examination we determined that the Point-of-sale reports indicated several over/(under) amounts on a daily basis, an indication that items are not properly recorded as sales in the point-of-sale system. We were unable to reasonably determine an amount associated with this discrepancy.

Recommendation:

We recommend that ACSA increase internal controls over the food service accounts, including but not limited to an understanding of the Point-of-sale system and its reports, to effectively review the daily sales and deposits of food service sales.

Management's Corrective Action Plan:

The ACSA has worked with the food service vendor to establish additional controls over collections and procedures for reviewing the Point-of-Sale reports. Camera systems have been installed at the location in question to monitor the cash receipts and increased reviews are taking place. Bank statements and Point-of-Sale reports are now being reviewed by the vendor, ACSA's senior accountant and ACSA's controller on a monthly basis. Any over/(under) amounts noted are being brought to the food service vendor immediately for explanation and/or action as needed. The food service vendor is also conducting an internal audit of their controls and has given ACSA access to the auditor and the audit report, once complete.

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

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

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings to be reported in this section

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

There were no findings required to be reported in this section

C. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2011.

PERFORMANCE STATISTICAL DATA

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 28, 2012

Board of Directors
Algiers Charter Schools Association
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 Algiers Charter Schools Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data 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 standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

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 reported on the schedule:

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

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

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 school board supporting payroll records as of October 1, 2011

No differences were noted

- 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

No differences were noted

- 4 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 as reported on the schedule. We traced a random sample of 25 teachers to their respective personnel file and determined if their education level was properly classified on the schedule

The education levels were properly reported

Number and Type of Public Schools (Schedule 3)

- 5 We compared the list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84 010) application and/or the National School Lunch Program (CFDA 10 555) application

No differences were noted

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

- 6 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 and as reported on 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

No differences were noted

Public School Staff Data (Schedule 5)

- 7 We obtained a listing 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 their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule

No differences were noted

- 8 For all 25 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule

No differences were noted

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 sample of ten classes to computerized summary reports of the October 1st roll books for those classes and determined if the class was properly classified in the schedule

No differences were noted

Louisiana Educational Assessment Program (LEAP) for The 21st Century (Schedule 7)

- 10 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

The Graduation Exit Exam for the 21st Century (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 in the schedule by ACSA

No differences were noted

The LEAP Tests (Schedule 9)

- 12 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

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

Hienz & Macaluso, LLC
Metairie, LA

Schedule 1

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NEW ORLEANS, LOUISIANA**
**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2012**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 4,487,577	
Other Instructional Staff Activities	265,844	
Instructional Staff Employee Benefits	1,488,571	
Purchased Professional and Technical Services	62,888	
Instructional Materials and Supplies	497,339	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 6,802,219
Other Instructional Activities		31,500
Pupil Support Activities	859,405	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		859,405
Instructional Staff Services	899,256	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		899,256
School Administration	1,463,668	
Less: Equipment for School Administration	-	
Net School Administration		1,463,668
Total General Fund Instructional Expenditures (Total of Column B)		\$ 10,056,048
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue		\$ -
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		\$ -

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Education Levels of Public School Staff
As of October 1, 2011

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%			0	0%		
Bachelor's Degree	70	67%			0	0%		
Master's Degree	28	27%			1	33%		
Master's Degree + 30	6	6%			2	67%		
Specialist in Education	0	0%			0	0%		
Ph D or Ed D	0	0%			0	0%		
Total	104	100%			3	100%		

Schedule 3

**ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2012**

Secondary	1
Combination	0
Total	1

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Experience of Public Principals, Assistant Principals, and Full time Classroom Teachers
As of October 1, 2011

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	1	0	0	0	1
Principals	0	0	0	1	0	0	1	2
Classroom Teachers	19	22	25	5	9	8	16	104
Total	19	22	25	7	9	8	17	107

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2012

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$45,485 88	\$45,485 88
Average Classroom Teachers Salary Excluding Extra Compensation	\$42,548 78	\$42,548 78
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries	104	104

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	39 4%	56	60%	85	0 0%	0	1%	1
Elementary Activity Class	33 3%	1	0%	0	0 0%	0	66 7%	2
Middle High								
Middle High Activity Class								
High	44 8%	151	31%	106	23 7%	80	0 0%	0
High Activity Class	53 7%	22	27%	11	14 6%	6	4 9%	2
Combination								
Combination Activity Class								

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	8	13%	3	4%	4	5%	7	11%	11	16%	2	3%
Mastery	17	27%	22	31%	19	24%	17	27%	15	21%	16	21%
Basic	35	55%	36	51%	30	38%	34	53%	35	50%	34	44%
Approaching Basic	3	5%	7	10%	17	22%	5	8%	5	7%	17	22%
Unsatisfactory	1	2%	2	3%	8	10%	1	2%	4	6%	9	12%
Total	64	100%	70	100%	78	100%	64	100%	70	100%	78	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	5	8%	1	1%	2	3%	3	5%	1	1%	0	0%
Mastery	13	20%	13	19%	10	13%	11	17%	17	24%	10	13%
Basic	38	59%	36	51%	37	47%	43	67%	45	64%	39	50%
Approaching Basic	8	13%	18	26%	23	29%	4	6%	4	6%	17	22%
Unsatisfactory		0%	2	3%	6	8%	3	5%	3	4%	12	15%
Total	64	100%	70	100%	78	100%	64	100%	70	100%	78	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	4%	2	3%	1	2%	1	1%	0	0%	2	4%
Mastery	21	29%	13	22%	6	11%	7	10%	1	2%	1	2%
Basic	43	59%	40	68%	27	51%	55	75%	44	77%	27	51%
Approaching Basic	5	7%	4	7%	17	32%	8	11%	10	18%	14	26%
Unsatisfactory	1	1%	0	0%	2	4%	2	3%	2	4%	9	17%
Total	73	100%	59	100%	53	100%	73	100%	57	100%	53	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	4	5%	0	0%	0	0%	2	3%	0	0%	0	0%
Mastery	39	53%	10	17%	3	6%	19	26%	10	17%	3	6%
Basic	27	37%	35	59%	13	25%	47	64%	38	63%	18	34%
Approaching Basic	2	3%	13	22%	23	43%	3	4%	10	17%	19	36%
Unsatisfactory	1	1%	1	2%	14	26%	3	4%	2	3%	13	25%
Total	73	100%	59	100%	53	100%	74	100%	60	100%	53	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	0	0%	0	0%	0	0%	7	3%	5	2%
Mastery	0	0%	9	4%	16	8%	0	0%	25	12%	22	10%
Basic	0	0%	110	54%	125	59%	0	0%	103	49%	99	45%
Approaching Basic	1	13%	56	27%	59	28%	3	23%	32	15%	52	24%
Unsatisfactory	7	88%	29	14%	13	6%	10	77%	43	20%	42	19%
Total	8	100%	204	100%	213	100%	13	100%	210	100%	220	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	4	2%	3	1%	2	1%	6	3%	0	0%	0	0%
Mastery	30	14%	19	8%	20	10%	20	9%	23	10%	33	16%
Basic	90	41%	123	53%	96	46%	122	56%	145	63%	125	60%
Approaching Basic	63	29%	59	26%	64	30%	46	21%	37	16%	36	17%
Unsatisfactory	31	14%	26	11%	28	13%	24	11%	25	11%	16	8%
Total	218	100%	230	100%	210	100%	218	100%	230	100%	210	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Iowa and ILEAP Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	8	11 0%	5	6 8%	0	0 0%	0	0 0%
Mastery	16	21 9%	18	24 7%	10	13 7%	9	12 3%
Basic	34	46 6%	29	39 7%	32	43 8%	43	58 9%
Approaching Basic	7	9 6%	14	19 2%	24	32 8%	13	17 8%
Unsatisfactory	8	11 0%	7	9 6%	7	9 6%	8	11 0%
Total	73	100 0%	73	100 0%	73	100 0%	73	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1 3%	5	6 5%	0	0 0%	1	1 3%
Mastery	12	15 6%	12	15 6%	4	5 2%	6	7 8%
Basic	37	48 1%	30	39 0%	34	44 2%	45	58 4%
Approaching Basic	22	28 6%	18	23 4%	33	42 9%	18	23 4%
Unsatisfactory	5	6 5%	12	15 6%	6	7 8%	7	9 1%
Total	77	100 0%	77	100 0%	77	100 0%	77	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	2 7%	2	2 7%	1	1 4%	1	1 4%
Mastery	7	9 5%	4	5 4%	4	5 4%	7	9 5%
Basic	52	70 3%	49	66 2%	43	58 1%	48	64 9%
Approaching Basic	11	14 9%	15	20 3%	22	29 7%	16	21 6%
Unsatisfactory	2	2 7%	4	5 4%	4	5 4%	2	2 7%
Total	74	100 0%	74	100 0%	74	100 0%	74	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1 4%	0	0 0%	0	0 0%	1	1 4%
Mastery	8	11 3%	5	7 0%	2	2 8%	2	2 8%
Basic	42	59 2%	40	56 3%	31	43 7%	44	62 0%
Approaching Basic	16	22 5%	14	19 7%	34	47 9%	19	26 8%
Unsatisfactory	4	5 6%	12	16 9%	4	5 6%	5	7 0%
Total	71	100 0%	71	100 0%	71	100 0%	71	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0 0%	4	2 0%
Mastery	3	1 5%	11	5 5%
Basic	142	70 3%	123	61 2%
Approaching Basic	46	22 8%	36	17 9%
Unsatisfactory	11	5 4%	27	13 4%
Total	202	100 0%	201	100 0%

Schedule 9 Continued

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	6.1%	6	9.1%	0	0.0%	1	1.5%
Mastery	19	28.8%	12	18.2%	9	13.6%	3	4.5%
Basic	30	45.5%	32	48.5%	24	36.4%	34	51.5%
Approaching Basic	9	13.6%	10	15.2%	25	37.9%	19	28.8%
Unsatisfactory	4	6.1%	6	9.1%	8	12.1%	9	13.6%
Total	66	100.0%	66	100.0%	66	100.0%	66	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	6.8%	4	5.5%	6	8.2%	1	1.4%
Mastery	20	27.4%	12	16.4%	10	13.7%	22	30.1%
Basic	38	52.1%	39	53.4%	28	38.4%	26	35.6%
Approaching Basic	8	11.0%	8	11.0%	25	34.2%	15	20.5%
Unsatisfactory	2	2.7%	10	13.7%	4	5.5%	9	12.3%
Total	73	100.0%	73	100.0%	73	100.0%	73	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	2.7%	4	5.6%	2	2.7%	4	5.5%
Mastery	9	12.3%	11	15.3%	10	13.7%	12	16.4%
Basic	51	69.9%	48	66.7%	49	67.1%	44	60.3%
Approaching Basic	11	15.1%	5	6.9%	10	13.7%	8	11.0%
Unsatisfactory	0	0.0%	4	5.6%	2	2.7%	5	6.8%
Total	73	100.0%	72	100.0%	73	100.0%	73	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	3.8%	2	2.5%	1	1.3%	6	7.5%
Mastery	14	17.5%	7	8.8%	40	50.0%	19	23.8%
Basic	59	73.8%	60	75.0%	35	43.8%	50	62.5%
Approaching Basic	4	5.0%	10	12.5%	4	5.0%	3	3.8%
Unsatisfactory	0	0.0%	1	1.3%	0	0.0%	2	2.5%
Total	80	100.0%	80	100.0%	80	100.0%	80	100.0%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%
Basic	0	0.0%	0	0.0%
Approaching Basic	0	0.0%	0	0.0%
Unsatisfactory	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%

Schedule 9 Continued

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	3.4%	4	6.9%	2	3.4%	0	0.0%
Mastery	18	31.0%	12	20.7%	12	20.7%	15	25.9%
Basic	29	50.0%	32	55.2%	28	48.3%	29	50.0%
Approaching Basic	6	10.3%	5	8.6%	15	25.9%	6	10.3%
Unsatisfactory	3	5.2%	5	8.6%	1	1.7%	8	13.8%
Total	58	100.0%	58	100.0%	58	100.0%	58	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	2.7%	5	6.8%	3	4.1%	5	6.8%
Mastery	19	25.7%	6	8.1%	11	14.9%	15	20.3%
Basic	42	56.8%	41	55.4%	39	52.7%	38	51.4%
Approaching Basic	9	12.2%	15	20.3%	19	25.7%	10	13.5%
Unsatisfactory	2	2.7%	7	9.5%	2	2.7%	6	8.1%
Total	74	100.0%	74	100.0%	74	100.0%	74	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	4.0%	4	5.3%	1	1.3%	4	5.3%
Mastery	12	16.0%	16	21.3%	13	17.3%	12	16.0%
Basic	51	68.0%	46	61.3%	42	56.0%	38	48.0%
Approaching Basic	8	10.7%	6	8.0%	15	20.0%	18	24.0%
Unsatisfactory	1	1.3%	3	4.0%	4	5.3%	5	6.7%
Total	75	100.0%	75	100.0%	75	100.0%	75	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1.4%	9	12.7%	4	5.5%	1	1.4%
Mastery	17	23.3%	15	21.1%	33	45.2%	21	28.8%
Basic	48	65.8%	40	56.3%	30	41.1%	41	56.2%
Approaching Basic	6	8.2%	6	8.5%	5	6.8%	5	6.8%
Unsatisfactory	1	1.4%	1	1.4%	1	1.4%	5	6.8%
Total	73	100.0%	71	100.0%	73	100.0%	73	100.0%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%
Basic	0	0.0%	0	0.0%
Approaching Basic	0	0.0%	0	0.0%
Unsatisfactory	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%

ALGIERS CHARTER SCHOOLS ASSOCIATION
FINANCIAL STATEMENTS
For the Year Ending June 30, 2012

ALGIERS CHARTER SCHOOLS ASSOCIATION

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ALGIERS CHARTER SCHOOLS ASSOCIATION

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FINANCIAL SECTION

**Hienz
Macaluso** LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 28, 2012

Board of Directors
Algiers Charter Schools Association
New Orleans, Louisiana

We have audited the accompanying statements of financial position of Algiers Charter Schools Association ("ACSA") (a non-profit organization) as of June 30, 2012 and 2011, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the management of ACSA. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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 ACSA as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 on our consideration of ACSA's internal control over financial reporting and 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.

110 Veterans Memorial Blvd , Suite 170, Metairie, Louisiana 70005
Telephone (504) 837-5434 Fax (504) 837-5435
www.hienzmacaluso.com

Our audit was performed for the purpose of forming an opinion on the basic financial statements of ACSA taken as a whole. The accompanying combining and individual school financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements taken as a whole.

Hienz & Macaluso, LLC

Metairie, LA

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 13,638,255	\$ 12,470,448
Intergovernmental receivables	3,133,229	5,524,733
Other receivables	107,849	166,751
Prepaid expenses	17,050	-
Due from pooled cash, net	<u>117,768</u>	<u>45,069</u>
Total current assets	<u>17,014,151</u>	<u>18,207,001</u>
Other Assets		
Deposits	<u>4,950</u>	<u>6,700</u>
Total Other Assets	<u>4,950</u>	<u>6,700</u>
Noncurrent Assets:		
Property and equipment (net of accumulated depreciation)	<u>871,649</u>	<u>1,722,109</u>
Total assets	<u>\$ 17,890,750</u>	<u>\$ 19,935,810</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 3,732,984	\$ 3,029,760
Due to other governments	410,744	236,799
Due to other agencies	403,321	979,836
Deferred revenues	52,770	74,474
Due to pooled cash, net	<u>-</u>	<u>-</u>
Total current liabilities	<u>4,599,819</u>	<u>4,320,869</u>
Noncurrent Liabilities		
Note Payable	<u>310,606</u>	<u>-</u>
Total Liabilities	<u>4,910,425</u>	<u>4,320,869</u>
Net Assets		
Reserved for capital assets	871,649	1,722,109
Unrestricted	<u>12,108,676</u>	<u>13,892,832</u>
Total Net Assets	<u>12,980,325</u>	<u>15,614,941</u>
Total liabilities and net assets	<u>\$ 17,890,750</u>	<u>\$ 19,935,810</u>

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
UNRESTRICTED NET ASSETS		
Public Support and Other Revenues		
Unrestricted grants in aid - State	\$ 3,119	\$ -
Restricted grants in aid - Federal and State	9,772,057	12,707,068
Donations - unrestricted	11,097	23,507
Minimum Foundation Program	28,183,439	30,317,044
Miscellaneous revenue	<u>6,951,480</u>	<u>1,942,918</u>
 Total Public Support and Other Revenues	 <u>44,921,192</u>	 <u>44,990,537</u>
 Expenses		
Program services		
Instructional	19,708,908	23,298,661
Supporting services		
Management and general	<u>27,846,900</u>	<u>21,770,909</u>
 Total Expenses	 <u>47,555,808</u>	 <u>45,069,570</u>
 Decrease in Unrestricted Net Assets	 (2,634,616)	 (79,033)
 Net assets at beginning of fiscal year	 <u>15,614,941</u>	 <u>15,693,974</u>
 Net assets at end of fiscal year	 <u>\$ 12,980,325</u>	 <u>\$ 15,614,941</u>

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from Operating Activities:		
Decrease in net assets	\$ (2,634,616)	\$ (79,033)
Adjustments to reconcile increase in net assets to net		
Cash provided by operating activities		
Depreciation	656,752	1,004,184
Gain/loss on disposal of assets	193,708	-
(Increase)/decrease in assets		
Accounts receivable	2,391,504	501,239
Other receivables	58,902	(41,757)
Prepaid expense	(17,050)	127,655
Due from pooled cash	(72,699)	(45,069)
Deposits	1,750	-
Increase/(Decrease) in liabilities		
Accounts payable and other accrued expenses	703,224	(630,355)
Deferred revenues	(21,704)	40,564
Due to pooled cash, net	-	(661,099)
Due to other funds	(402,570)	535,010
Net cash provided by operating activities	<u>857,201</u>	<u>751,339</u>
Cash Flows from Financing Activities:		
Proceeds from note payable	342,300	
Payments on note payable	(31,694)	-
Net cash provided by investing activities	<u>310,606</u>	<u>-</u>
Net increase in cash and cash equivalents	1,167,807	751,339
Cash and cash equivalents, Beginning of Year	<u>12,470,448</u>	<u>11,719,109</u>
Cash and cash equivalents, End of Year	<u>\$ 13,638,255</u>	<u>\$ 12,470,448</u>

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2012 and 2011 (Totals Only)

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>		
		Management and General	Total Expenses	2011
Expenses:	<u>Instructional</u>	<u>General</u>		
Salaries and benefits	\$ 17,649,432	\$ 10,671,486	\$ 28,320,918	\$ 31,025,447
Professional services	484,670	3,474,204	3,958,874	2,326,687
Travel	88,854	129,692	218,546	253,935
Supplies	893,919	389,815	1,283,734	1,313,325
Utilities	-	586,904	586,904	903,940
Rent	1,469	210,287	211,756	224,455
Insurance	-	234,259	234,259	145,238
Repairs and maintenance	3,111	1,826,042	1,829,153	1,071,552
Transportation	-	2,443,946	2,443,946	2,388,321
Food service management	-	1,418,485	1,418,485	1,652,292
Depreciation Expense	497,983	158,769	656,752	1,004,184
Other	89,470	6,303,011	6,392,481	2,760,194
	<u>\$ 19,708,908</u>	<u>\$ 27,846,900</u>	<u>\$ 47,555,808</u>	<u>\$ 45,069,570</u>

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

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Algiers Charter Schools Association (“ACSA”) was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education (“BESE”) has granted ACSA six (6) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and O. Perry Walker Senior High. The original charters are valid through June 30, 2011, with the exception of Algiers Technology Academy, which is valid through June 30, 2012. The ACSA Board of Directors governs all ACSA schools.

In addition to the six (6) schools operated under the charter agreement with BESE, ACSA operates two (2) schools under a charter agreement with Orleans Parish School Board. These two (2) schools, Alice M. Harte Elementary and Edna Karr Senior High, are reported separately. Because the School Support Center provides services to all eight (8) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

In January 2012, several of the ACSA schools were under charter renewal consideration based upon the academic, financial, and compliance requirements as of June 30, 2010. Based on the results, BESE granted new charter terms for the following Type 5 schools operated by ACSA:

- Martin Behrman Academy of Creative Arts and Sciences – 7/1/2011 – 6/30/2015
- Dwight D. Eisenhower Academy of Global Studies – 7/1/2011 – 6/30/2014
- William J. Fischer Accelerated Academy – 7/1/2011 – 6/30/2014
- McDonogh #32 Literacy Academy – 7/1/2011 – 6/30/2014
- O. Perry Walker College and Career Preparatory High School – 7/1/2011 – 6/30/2014

Also, the charters provided to Orleans Parish School Board operated by ACSA received charter renewal as follows:

- Alice M. Harte Elementary – 7/1/2011 – 6/30/2013
- Edna Karr Senior High – 7/1/2011 – 6/30/2013

Basis of Accounting

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

Functional Expenses

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

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

Public Support and Revenue

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

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

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

Deferred Revenue

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

Estimates

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

Cash and Cash Equivalents

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

- Unrestricted – Net assets which are free of donor-imposed restrictions, all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations
- Permanently Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA

Property and Equipment

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

Office Equipment	4 – 10 years
Building and Improvements	20 – 50 years

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

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

ACSA had the following cash as of June 30, 2012 and 2011

	2012	2011
Demand Deposits	\$ 13,638,255	\$ 12,470,448
	<u>\$ 13,638,255</u>	<u>\$ 12,470,448</u>

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2012 and 2011, ACSA's demand deposit bank balances of \$17,916,143 and \$17,008,958, respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name. These amounts are inclusive of the bank accounts and School Support Center allocation reported separately for Alice M. Harte Elementary and Edna Karr Senior High, as described in Note 1.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2012 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
School Support Center	\$ (9,701,667.00)	School Support Center SR	\$ 86
ATA	(263,565.00)	Behrman	2,003,815
ATA SR	(697,519.00)	Behrman SR	32,205
Behrman SR	(357,237.00)	Eisenhower	3,043,377
Eisenhower SR	(374,799.00)	Eisenhower SR	16,109
Fischer SR	(222,475.00)	Fischer	1,260,126
McDonogh SR	(422,588.00)	Fischer SR	467
Walker SR	(315,302.00)	McDonogh	345,055
		Tubman	294
		Walker	5,486,686
		Walker SR	284,700
Total	<u>\$ (12,355,152)</u>	Total	<u>\$ 12,472,920</u>

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

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note A. The elimination of the due to/due from pooled cash results in a "Due from Pooled Cash" balance of \$117,768. This amount is offset by an equal "Due to Pooled Cash" on the governmental financial statements which includes Harte and Karr schools.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2012 and 2011 consists of the following:

	<u>2012</u>	<u>2011</u>
Furniture, fixtures, and equipment	\$ 3,727,013	\$ 4,252,747
Buildings & building improvements	87,610	102,300
Less accumulated depreciation	<u>(2,942,974)</u>	<u>(2,632,938)</u>
Property and equipment, net	<u>\$ 871,649</u>	<u>\$ 1,722,109</u>

Depreciation expense for ACSA for the years ended June 30, 2012 and 2011 was \$656,752 and \$1,004,184, respectively. During the years ended June 30, 2012 and 2011, ACSA acquired \$0 and \$0, respectively.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 5 – RETIREMENT PLANS

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

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

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

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

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

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

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	23.7%

ACSA's contributions for the years ended June 30, 2012 and 2011 were \$4,728,553 and \$4,591,743, respectively.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 6 – CONTINGENCIES

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

NOTE 7 – RISK MANAGEMENT

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

NOTE 8 – UNCERTAIN INCOME TAXES

On July 1, 2009, ACSA adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities. ACSA's 2008, 2009 and 2010 tax returns have been filed appropriately. As of December 28, 2012, the School has been approved for an extension to file 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, 2009 and 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 – LEASES

ACSA leases its office space under the terms of an operating lease expiring September 14, 2013.

Total rent expense amounted to \$49,851 and \$66,825 for the period ended June 30, 2012 and June 30, 2011, respectively. An amendment to the office lease, effective July 1, 2011, reduced the dollars per square foot.

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

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2013	<u>\$41,310</u>

NOTE 10 – HARRIETT ROSS TUBMAN CHARTER SCHOOL

On February 21, 2011, Louisiana Department of Education Recovery School District released changes for the 2011-2012 school year, stating that Harriett R. Tubman Charter School, located at 2013 General Meyer Ave., Algiers, LA, will have a new charter operator. Tubman's charter under ACSA was not renewed because the school did not meet academic and financial benchmarks as of June 30, 2010. However, ACSA continued to operate Harriett R. Tubman Charter School for July 1, 2010 - June 30, 2011 and achieved significant academic growth with a school assessment index of 77 and final school performance score of 65.5.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2012 and 2011

NOTE 10 – HARRIETT ROSS TUBMAN CHARTER SCHOOL (CONTINUED)

As of June 30, 2012 Harriet R Tubman fund balance is transferred to ACSA School Support Center as a payable to the new charter operator in the amount of \$679,491 in the statement of financial position accounts payables and accrued expenses

NOTE 12 – NOTE PAYABLE

Effective January 1, 2012, ACSA signed a loan agreement with Chartwells Division (Food Service Manangement Company) in the amount of \$500,000, of which \$342,300 is allocated as per the discussion in NOTE 1, to fund improvements of school cafeterias. The term of the loan is fifty-four (54) months, with monthly payments of \$6,339. The interest rate is zero (0)%. Imputed interest is determined to be immaterial and therefore not recorded as of June 30, 2012. The funds were deposited in ACSA's operating account and have not been expended as of the date of this report. As of June 30, 2012 the balance is \$310,606

The total maturities of ACSA's note payable for the fiscal years ending June 30 are as follows

2013	\$ 82,405
2014	76,067
2015	76,067
2016	76,067
Total	<u>\$310,606</u>

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 28, 2012, the date the financial statements were available to be issued. Subsequent to June 30, 2012, but prior to the report date the Recovery School District announced that Landry High School will merge with O'Perry Walker High School, and be operated by ACSA

SUPPLEMENTAL INFORMATION

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
June 30, 2012 and 2011 (Totals Only)

	2012							
	School Funds							
ASSETS	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker
Current Assets								
Cash and cash equivalents	\$ 13,234,778	\$ 19,426	\$ 284,595	\$ 44,095	\$ 4,662	\$ 12,602	\$ 674	\$ 37,423
Intergovernmental receivables	-	-	-	-	-	-	-	-
Other receivables	100,201	3,990	-	-	1,902	1,756	-	-
Prepaid expenses	11,050	1,000	1,000	1,000	1,000	1,000	-	1,000
Due from pooled cash	-	-	2,003,815	3,043,377	1,260,126	345,055	294	5,486,686
Total Current Assets	13,346,029	24,416	2,289,410	3,088,472	1,267,690	360,413	968	5,525,109
Other Assets								
Deposits	-	-	1,050	1,050	1,050	750	-	1,050
Total Other Assets	-	-	1,050	1,050	1,050	750	-	1,050
Non-Current Assets								
Property and equipment (net of accumulated depreciation)	649	14,825	45,863	71,301	24,249	16,224	-	53,960
Total Assets	\$ 13,346,678	\$ 39,241	\$ 2,336,323	\$ 3,160,823	\$ 1,292,989	\$ 377,387	\$ 968	\$ 5,580,119
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts payable and accrued expenses	\$ 3,221,131	\$ 17,501	\$ 70,593	\$ 94,939	\$ 92,038	\$ 18,598	\$ 294	\$ 154,873
Due to other governments	410,744	-	-	-	-	-	-	-
Due to other agencies	-	19,427	284,594	44,095	4,505	12,603	674	37,423
Deferred revenues	3,978	-	-	-	-	-	-	-
Due to pooled cash	9,701,667	263,565	-	-	-	-	-	-
Total Current Liabilities	13,337,520	300,493	355,187	139,034	96,543	31,201	968	192,296
Non-Current Liabilities								
Note Payable	310,606	-	-	-	-	-	-	-
Total Liabilities	13,648,126	300,493	355,187	139,034	96,543	31,201	968	192,296
Net Assets								
Reserved for capital assets	649	14,825	45,863	71,301	24,249	16,224	-	53,960
Unrestricted	(302,097)	(276,077)	1,935,273	2,950,488	1,172,197	329,962	-	5,333,863
Total Net Assets	(301,448)	(261,252)	1,981,136	3,021,789	1,196,446	346,186	-	5,387,823
Total Liabilities and Net Assets	\$ 13,346,678	\$ 39,241	\$ 2,336,323	\$ 3,160,823	\$ 1,292,989	\$ 377,387	\$ 968	\$ 5,580,119

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINANCIAL POSITION BY SCHOOL (Continued)
June 30, 2012 and 2011 (Totals Only)

	2012									2011	
		Special Revenue Funds									
ASSETS	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Interfund Eliminations	Total	Total
Current Assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13 638 255	\$ 12,470 448
Intergovernmental receivables	-	699 604	480 420	499 437	433,229	477,716	-	542 823	-	3,133 229	5 524 733
Other receivables	-	-	-	-	-	-	-	-	-	107 849	166 751
Prepaid expenses	-	-	-	-	-	-	-	-	-	17 050	-
Due from pooled cash	86	-	32 205	16,109	467	-	-	284,700	(12,355,152)	117 768	45 069
Total Current Assets	86	699 604	512 625	515 546	433,696	477,716	-	827,523	(12,355 152)	17 014 151	18 207 001
Other Assets											
Deposits	-	-	-	-	-	-	-	-	-	4,950	6,700
Total Other Assets	-	-	-	-	-	-	-	-	-	4 950	6,700
Non-Current Assets											
Property and equipment (net of accumulated depreciation)	-	53 289	162 605	101 438	81 858	18 021	-	227,367	-	871 649	1 722 109
Total Assets	\$ 86	\$ 752 893	\$ 675,230	\$ 616 984	\$ 515 554	\$ 495 737	\$ -	\$ 1 054 890	\$ (12 355 152)	\$ 17 890 750	\$ 19,935,810
LIABILITIES AND NET ASSETS											
Current Liabilities											
Accounts payable and accrued expenses	\$ 86	\$ 688	\$ 27 955	\$ 4,403	\$ 19 020	\$ 3,461	\$ -	\$ 7,404	\$ -	\$ 3,732,984	\$ 3 029 760
Due to other governments	-	-	-	-	-	-	-	-	-	410,744	236 799
Due to other agencies	-	-	-	-	-	-	-	-	-	403 321	979,836
Deferred revenues	-	49	5,568	17 664	5,568	5,569	-	14,374	-	52 770	74,474
Due to pooled cash	-	697 519	357 237	374 799	222,475	422,588	-	315,302	(12,355,152)	-	-
Total Current Liabilities	86	698,256	390,760	396 866	247 063	431 618	-	337 080	(12,355,152)	4 599,819	4 320,869
Non-Current Liabilities											
Note Payable	-	-	-	-	-	-	-	-	-	310 606	-
Total Liabilities	86	698,256	390 760	396 866	247,063	431 618	-	337,080	(12,355,152)	4,910,425	-
Net Assets											
Reserved for capital assets	-	53,289	162,605	101 438	81 858	18,021	-	227,367	-	871,649	1,722,109
Unrestricted	-	1 348	121,865	118 680	186,633	46 098	-	490,443	-	12 108,676	13,892 832
Total Net Assets	-	54,637	284 470	220 118	268 491	64 119	-	717 810	-	12 980 325	15 614 941
Total Liabilities and Net Assets	\$ 86	\$ 752,893	\$ 675 230	\$ 616 984	\$ 515 554	\$ 495 737	\$ -	\$ 1,054,890	\$ (12 355 152)	\$ 17 890,750	\$ 19 935 810

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF ACTIVITIES BY SCHOOL
June 30, 2012 and 2011 (Totals Only)

	2012							
	School Funds							
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker
UNRESTRICTED NET ASSETS								
Unrestricted grants in aid - State	\$ -	\$ 412	\$ -	\$ -	\$ 223	\$ 434	\$ -	\$ 2 050
Restricted grants in aid - Federal and State	-	1,738	1,251	2,477	531	5 238	-	12 842
Donations	3 491	7 606	-	-	-	-	-	-
Minimum Foundation Program	-	2,241 894	5 066,477	4,737,411	4 863 846	3 805 579	-	7,336,945
Miscellaneous revenue	5,033,064	141,925	112 439	100,611	107 439	118 068	232 265	145,709
Total Public Support and Other Revenues	5,036,555	2,393 575	5,180,167	4 840,499	4 972 039	3,929 319	232,265	7,497,546
Expenses								
Program Services								
Instructional	(71,710)	708,870	2,838,605	2,582,082	2 440,660	1,794,484	-	3,608 600
Supporting services								
Management and general	3,053 106	1,862 595	3,054,957	3,049,368	3,002,527	2,555,279	1,098,779	4,867 224
Total Expenses	2,981,396	2,571,465	5,893,562	5,631,450	5,443,187	4,349,763	1,098,779	8,475,824
Increase/(Decrease) in unrestricted net assets	2,055,159	(177,890)	(713,395)	(790,951)	(471,148)	(420 444)	(866,514)	(978,278)
Net assets at beginning of fiscal year	(2,356,607)	(83,362)	2,694,531	3,812,740	1,667,594	766,630	866,514	6,366,101
Net assets at end of fiscal year	\$ (301,448)	\$ (261,252)	\$ 1,981,136	\$ 3,021,789	\$ 1,196,446	\$ 346,186	\$ -	\$ 5,387,823

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF ACTIVITIES BY SCHOOL (Continued)
June 30, 2012 and 2011 (Totals Only)

	2012								2011
	Special Revenue Funds								
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Total
UNRESTRICTED NET ASSETS									
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,119
Restricted grants in aid - Federal and State	4,207	1,493,057	1,716,680	1,473,261	1,551,695	1,640,744	-	1,868,336	9,772,057
Donations	-	-	-	-	-	-	-	-	11,097
Minimum Foundation Program	-	38,652	14,897	19,709	14,210	33,711	-	10,108	28,183,439
Miscellaneous revenue	83,474	53,540	109,157	150,462	126,397	65,334	107,191	264,405	6,951,480
									-
Total Public Support and Other Revenues	87,681	1,585,249	1,840,734	1,643,432	1,692,302	1,739,789	107,191	2,142,849	44,921,192
Expenses									
Program Services									
Instructional	-	798,847	903,414	965,908	815,437	933,339	-	1,390,372	19,708,908
Supporting services									
Management and general	4,207	789,073	951,225	688,284	889,989	809,584	383,139	787,564	27,846,900
Total Expenses	4,207	1,587,920	1,854,639	1,654,192	1,705,426	1,742,923	383,139	2,177,936	47,555,808
Increase/(Decrease) in									
unrestricted net assets	83,474	(2,671)	(13,905)	(10,760)	(13,124)	(3,134)	(275,948)	(35,087)	(2,634,616)
Net assets at beginning of fiscal year	(83,474)	57,308	298,375	230,878	281,615	67,253	275,948	752,897	15,614,941
Net assets at end of fiscal year	\$ -	\$ 54,637	\$ 284,470	\$ 220,118	\$ 268,491	\$ 64,119	\$ -	\$ 717,810	\$ 12,980,325

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FUNCTIONAL EXPENSES BY SCHOOL
June 30, 2012 and 2011 (Totals Only)

2012										
Expenses	School Funds									
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker		
Salaries and benefits	\$ 1,919,933	\$ 1,357,683	\$ 3,660,757	\$ 3,393,018	\$ 3,349,696	\$ 2,756,866	\$ -	\$ 4,899,507		
Professional services	314,242	278,677	570,744	589,858	610,244	503,680	-	849,964		
Travel	32,023	5,350	11,797	12,307	16,429	7,153	-	8,850		
Supplies	66,555	22,136	132,322	133,311	210,895	56,932	-	169,751		
Utilities	12,996	88,090	92,351	67,724	50,143	55,447	-	165,488		
Rent	129,851	8,774	10,522	15,388	15,956	13,192	-	16,815		
Insurance	-	19,405	42,866	38,063	35,019	42,041	-	56,865		
Repairs and maintenance	12,553	226,277	334,249	203,324	221,308	177,023	-	518,728		
Transportation	2,519	236,610	433,732	500,117	404,051	272,024	-	531,522		
Food service management	-	-	-	-	-	-	-	-		
Depreciation Expense	3,627	10,445	11,637	26,093	14,249	13,113	-	37,436		
Other	487,097	318,018	592,585	652,247	515,197	452,292	1,098,779	1,220,898		
Total Expenses	\$ 2,981,396	\$ 2,571,465	\$ 5,893,562	\$ 5,631,450	\$ 5,443,187	\$ 4,349,763	\$ 1,098,779	\$ 8,475,824		
2012										
Expenses	Special Revenue Funds								2011	
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Total	Total
Salaries and benefits	\$ -	\$ 1,171,494	\$ 1,220,640	\$ 1,014,567	\$ 1,049,973	\$ 1,154,724	\$ -	\$ 1,372,060	\$ 28,320,918.00	\$ 31,025,447.00
Professional services	-	39,666	64,544	30,713	22,771	52,806	-	30,965	3,958,874	2,326,687
Travel	-	12,932	22,010	18,259	19,763	29,985	-	21,688	218,546	253,935
Supplies	-	50,511	54,459	96,882	47,469	111,613	-	130,898	1,283,734	1,313,325
Utilities	-	15,472	7,455	4,988	7,599	7,747	-	11,404	586,904	903,940
Rent	-	210	210	210	210	209	-	209	211,756	224,455
Insurance	-	-	-	-	-	-	-	-	234,259	145,238
Repairs and maintenance	-	22,641	20,418	13,235	25,497	24,678	-	29,222	1,829,153	1,071,552
Transportation	-	1,150	7,959	15,086	31,268	7,908	-	-	2,443,946	2,388,321
Food service management	-	91,955	314,737	271,816	324,061	239,076	-	176,840	1,418,485	1,652,292
Depreciation Expense	-	48,053	44,653	100,125	82,330	19,681	-	245,310	656,752	1,004,184
Other	4,207	133,836	97,554	88,311	94,485	94,496	383,139	159,340	6,392,481	2,760,194
Total Expenses	\$ 4,207	\$ 1,587,920	\$ 1,854,639	\$ 1,654,192	\$ 1,705,426	\$ 1,742,923	\$ 383,139	\$ 2,177,936	\$ 47,555,808	\$ 45,069,570

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Hienz Macaluso^{LLC}

Certified Public Accountants

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

December 28, 2012

Board of Directors of
Algiers Charter Schools Association

We have audited the Statement of Financial Position and the related Statements of Activities, Cash Flows and Functional Expenses of Algiers Charter Schools Association ("ACSA") as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 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 ACSA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered ACSA'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 ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, referred to as finding 2012-1. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ACA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACA's response and, accordingly, we express no opinion on it.

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

Hienz & Macaluso, LLC

Metairie, LA

Hienz Macaluso^{LLC}

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 28, 2012

Board of Directors of
Algiers Charter Schools Association

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of ACSA's compliance with those requirements.

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

Internal Control Over Compliance

Management of ACSA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered ACSA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over compliance.

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

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

This report is intended solely for the information and use of Algiers Charter Schools Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U S Department of Education</u>		
Direct Programs		
Teaching American History	84 215	\$ 37,224
Passed-Through State Department of Education.		
Advanced Placement Test Fee Program	84 330	4,674
School Improvement Grants Cluster		
ESEA of 1965, Title I, SIP 1003(g)	84 377	61,104
ESEA of 1965, Title I, SIP 1003(g) - ARRA	84 388	152,503
Total School Improvement Grants Cluster		<u>213,607</u>
Title I, Part A Cluster		
ESEA of 1965, Title I, Part A	84 010	3,207,444
ESEA of 1965, Title I, SIP 1003(a)	84 010	293,877
ESEA of 1965, Title I, ARRA	84 389	13,381
Total Title I, Part A Cluster		<u>3,514,702</u>
Special Education Cluster (IDEA)		
IDEA, Part B	84 027	883,223
IDEA, Pre-K	84 173	34,292
IDEA, Part B ARRA	84 391	139,063
IDEA, Pre-K ARRA	84 392	6,414
Total Special Education Cluster (IDEA)		<u>1,062,992</u>
ESEA of 1965, Title II, Part A	84 367	421,780
English Language Acquisition Grants, Title III	84 365	4,536
ESEA of 1965, Title IV, Part A	84 186	18,635
Education Jobs Fund	84 410	10,517
Enhancing Education Through Technology	84 318	25,561
Hurricane Katrina Foreign Contributions	84 940	4,569
Hurricane Educator Assistance Program	84 938	68,018
Passed-Through National Institute for Excellence in Teaching		
Teacher Incentive Fund	84 374	1,827,944
TOTAL U S DEPARTMENT OF EDUCATION		<u><u>7,210,084</u></u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Year Ended June 30, 2012

U S Department of Agriculture

Passed-Through State Department of Agriculture

National School Lunch Program

Free and Reduced Price Meals	10 555	1,570,065
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TOTAL U S DEPARTMENT OF AGRICULTURE		1,570,065
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U S Department of Health and Human Services

Passed-Through State Department of Health and Human Services

LA 4 - TANF

	93 558	705,250
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TOTAL U S DEPARTMENT OF HEALTH AND HUMAN SERVICES		705,250
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Other Programs

Passed-Through Alvin Callender Air Force Base

Reserve Officer Training Corp (ROTC)

	99 999	47,493
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TOTAL OTHER PROGRAMS		47,493
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TOTAL FEDERAL ASSISTANCE		\$ 9,532,892
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The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

2 ACCRUED AND DEFERRED REIMBURSEMENT

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

3 PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2012.

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

- 1 The independent auditors' report expresses an unqualified opinion on the financial statements of Algiers Charter Schools Association
- 2 A control deficiency disclosed during the audit of the financial statements is reported in the *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*
- 3 No instances of noncompliance material to the financial statements of Algiers Charter Schools Association were noted
- 4 No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*
- 5 The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter Schools Association expresses an unqualified opinion
- 6 The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133
- 7 A management letter was not issued for the year ended June 30, 2012
- 8 The programs tested as major programs were

	<u>CFDA No</u>
ESEA of 1965, Title I, Part A	84 010
ESEA of 1965, Title I, Part A, Recovery Act	84.389
ESEA of 1965, Title I, SIP 1003(g)	84.377
ESEA of 1965, Title I, SIP 1003(g), Recovery Act	84 388
National School Lunch Program	10 555
Special Education Grants to States	84.027
Special Education Preschool Grants	84 173
Special Education Grants to States, Recovery Act	84 391
Special Education Preschool Grants, Recovery Act	84 392

- 9 The threshold for distinguishing between type A and type B programs was \$300,000
- 10 Algiers Charter Schools Association was determined to not be a low-risk auditee

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2012

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2012-1 Food Service Deposit Accounts

During the course of our audit, we noted that the food services cash account had a misappropriation of approximately \$500 which was detected by the client May of 2012. During our examination we determined that the point-of-sale reports indicated over/(under) amounts on a daily basis, an indication that items are not properly recorded as sales in the point-of-sale system. We were unable to reasonably determine an amount associated with this discrepancy.

Recommendation:

We recommend that ACSA increase internal controls over food service accounts, including but not limited to an understanding of the point-of-sale and its reports, to effectively review the daily sales and deposits of food service sales.

Management's Corrective Action Plan:

The ACSA has worked with the food service vendor to establish additional controls over collections and procedures for reviewing the point-of-sale reports. Camera systems have been installed at the location in question to monitor the cash receipts and increased reviews are taking place. Bank statements and point-of-sale reports are now being reviewed by the vendor, ACSA's senior accountant and ACSA's controller on a monthly basis. Any over/(under) amounts noted are being brought to the food service vendor immediately for explanation and/or action as needed. The food service vendor is also conducting an internal audit of their controls and has given ACSA access to the auditor and the audit report, once complete.

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

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

ALGIERS CHARTER SCHOOLS ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings to be reported in this section

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

There were no findings required to be reported in this section

SECTION III – MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2011

PERFORMANCE STATISTICAL DATA

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 28, 2012

Board of Directors
Algiers Charter Schools Association
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 Algiers Charter Schools Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data 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 standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

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 reported on the schedule.

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

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

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 school board supporting payroll records as of October 1, 2011

No differences were noted

- 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.

No differences were noted

- 4 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 as reported on the schedule We traced a random sample of 25 teachers to their respective personnel file and determined if their education level was properly classified on the schedule

The education levels were properly reported

Number and Type of Public Schools (Schedule 3)

5. We compared the list of schools by type as reported on the schedule We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84 010) application and/or the National School Lunch Program (CFDA 10 555) application

No differences were noted

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

- 6 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 and as reported on 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

No differences were noted

Public School Staff Data (Schedule 5)

- 7 We obtained a listing 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 a random sample of 25 teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule

No differences were noted

- 8 For all 25 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule

No differences were noted

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 sample of ten classes to computerized summary reports of the October 1st roll books for those classes and determined if the class was properly classified in the schedule

No differences were noted

Louisiana Educational Assessment Program (LEAP) for The 21st Century (Schedule 7)

- 10 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

The Graduation Exit Exam for the 21st Century (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 in the schedule by ACSA

No differences were noted

The LEAP Tests (Schedule 9)

- 12 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

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

Hienz & Macaluso, LLC
Metairie, LA

Schedule 1

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NEW ORLEANS, LOUISIANA**
**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2012**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 9,566,512	
Other Instructional Staff Activities	3,953,819	
Instructional Staff Employee Benefits	4,128,785	
Purchased Professional and Technical Services	484,669	
Instructional Materials and Supplies	893,919	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 19,027,704
Other Instructional Activities		-
Pupil Support Activities	2,762,840	
Less Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		2,762,840
Instructional Staff Services	3,991,365	
Less Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		3,991,365
School Administration	3,815,565	
Less Equipment for School Administration	-	
Net School Administration		3,815,565
Total General Fund Instructional Expenditures (Total of Column B)		\$ 29,597,474
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue		\$ -
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		\$ -

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Education Levels of Public School Staff
As of October 1, 2011

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	0%	0	0%	0	0%	0	0%
Bachelor's Degree	129	61%	3	75%	0	0%	0	0%
Master's Degree	69	33%	1	25%	7	64%	0	0%
Master's Degree + 30	10	5%	0	0%	4	36%	1	100%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph D or Ed D	1	0%	0	0%	0	0%	0	0%
Total	211	100%	4	100%	11	100%	1	100%

Schedule 3

**ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2012**

Type	Number
Elementary	4
Middle Jr. High	0
Secondary	2
Combination	0
Total	6

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Experience of Public Principals, Assistant Principals, and Full time Classroom Teachers
As of October 1, 2011

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	3	2	2	0	7
Principals	1	0	2	0	1	0	1	5
Classroom Teachers	35	34	53	32	18	15	28	215
Total	36	34	55	35	21	17	29	227

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2012

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$46,713 70	\$46,569 26
Average Classroom Teachers Salary Excluding Extra Compensation	\$44,262 47	\$44,106 57
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries	215	214

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Precent	Number	Precent	Number	Precent	Number	Precent	Number
Elementary	24 5%	140	57%	327	16 8%	96	2%	9
Elementary Activity Class	50 0%	4	0%	0	50 0%	4	0 0%	0
Middle High								
Middle High Activity Class								
High	46 4%	175	26%	97	19 4%	73	8 5%	32
High Activity Class	60 5%	26	19%	8	16 3%	7	4 7%	2
Combination								
Combination Activity Class								

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	8	3%	15	5%	15	5%	3	1%	12	4%	5	2%
Mastery	46	17%	51	17%	40	13%	28	10%	37	12%	54	18%
Basic	103	39%	122	41%	144	48%	112	42%	127	43%	135	45%
Approaching Basic	60	23%	65	22%	51	17%	56	21%	60	20%	52	17%
Unsatisfactory	48	18%	44	15%	48	16%	68	25%	62	21%	52	17%
Total	265	100%	297	100%	298	100%	267	100%	298	100%	298	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	23	9%	4	1%	4	1%	4	2%	9	3%	2	1%
Mastery	26	10%	30	10%	28	9%	40	15%	41	14%	37	12%
Basic	81	31%	85	29%	109	36%	88	33%	118	40%	132	44%
Approaching Basic	95	36%	114	38%	97	32%	78	29%	64	21%	66	22%
Unsatisfactory	40	15%	65	22%	61	20%	55	21%	66	22%	62	21%
Total	265	100%	298	100%	299	100%	265	100%	298	100%	299	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1%	12	6%	6	2%	5	3%	10	5%	2	1%
Mastery	32	16%	34	16%	22	8%	9	5%	15	7%	9	3%
Basic	89	45%	102	48%	113	39%	116	58%	123	57%	140	48%
Approaching Basic	68	34%	62	29%	113	39%	44	22%	39	18%	71	24%
Unsatisfactory	10	5%	4	2%	37	13%	26	13%	27	13%	69	24%
Total	200	100%	214	100%	291	100%	200	100%	214	100%	291	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	4	2%	0	0%	1	1%	2	1%	0	0%
Mastery	34	17%	30	14%	7	2%	15	8%	38	18%	7	2%
Basic	60	30%	73	34%	92	31%	100	50%	88	41%	102	35%
Approaching Basic	76	38%	71	33%	122	41%	53	27%	57	27%	100	34%
Unsatisfactory	30	15%	37	17%	74	25%	31	16%	30	14%	86	29%
Total	200	100%	215	100%	295	100%	200	100%	215	100%	295	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	1	0%	1	0%	0	0%	8	3%	8	3%
Mastery	0	0%	6	2%	11	4%	1	2%	91	30%	42	15%
Basic	9	19%	180	57%	93	33%	16	32%	145	48%	139	49%
Approaching Basic	10	21%	90	29%	96	34%	13	26%	28	9%	27	9%
Unsatisfactory	29	60%	37	12%	82	29%	20	40%	30	10%	70	24%
Total	48	100%	314	100%	283	100%	50	100%	302	100%	286	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	1	0%	10	3%	0	0%	0	0%	2	1%	1	0%
Mastery	2	1%	49	17%	18	7%	7	2%	22	8%	10	4%
Basic	110	38%	144	50%	118	47%	122	43%	202	70%	157	64%
Approaching Basic	97	34%	52	18%	60	24%	92	32%	40	14%	37	15%
Unsatisfactory	77	27%	33	11%	53	21%	66	23%	23	8%	41	17%
Total	287	100%	288	100%	247	100%	287	100%	289	100%	248	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
New Orleans, Louisiana
Iowa and ILEAP Tests
For the Year Ended June 30, 2012

Distinct Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	11	3.8%	4	1.4%	1	0.3%	4	1.4%
Mastery	51	17.8%	26	9.1%	18	6.3%	32	11.2%
Basic	94	32.9%	104	36.4%	107	37.4%	104	38.5%
Approaching Basic	61	21.3%	77	26.9%	100	35.0%	80	28.1%
Unsatisfactory	69	24.1%	75	26.2%	60	21.0%	65	22.8%
Total	286	100.0%	286	100.0%	286	100.0%	285	100.0%

Distinct Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	0.7%	1	0.4%	0	0.0%	3	1.1%
Mastery	18	6.5%	15	5.5%	5	1.8%	10	3.6%
Basic	97	35.3%	88	32.0%	84	30.5%	111	40.4%
Approaching Basic	106	38.5%	71	25.8%	113	41.1%	87	31.6%
Unsatisfactory	52	18.9%	100	36.4%	73	26.5%	64	23.3%
Total	275	100.0%	275	100.0%	275	100.0%	275	100.0%

Distinct Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	1.3%	3	1.3%	1	0.4%	2	0.8%
Mastery	20	8.4%	15	6.3%	14	5.9%	10	4.2%
Basic	106	44.7%	115	48.5%	99	41.8%	107	45.1%
Approaching Basic	75	31.6%	48	20.3%	89	37.6%	70	29.5%
Unsatisfactory	33	13.9%	56	23.6%	34	14.3%	48	20.3%
Total	237	100.0%	237	100.0%	237	100.0%	237	100.0%

Distinct Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	0.9%	2	0.9%	0	0.0%	0	0.0%
Mastery	24	10.9%	10	4.5%	16	7.2%	5	2.3%
Basic	113	51.1%	105	47.5%	71	32.1%	111	50.2%
Approaching Basic	60	27.1%	63	28.5%	93	42.1%	61	27.6%
Unsatisfactory	22	10.0%	41	18.6%	41	18.6%	44	19.9%
Total	221	100.0%	221	100.0%	221	100.0%	221	100.0%

Distinct Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	0.4%	1	0.4%
Mastery	4	1.7%	8	3.4%
Basic	98	41.7%	119	50.9%
Approaching Basic	94	40.0%	54	23.1%
Unsatisfactory	38	16.2%	52	22.2%
Total	235	100.0%	234	100.0%

Schedule 9 Continued

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	25	8 3%	10	3 3%	17	5 7%	15	5 0%
Mastery	42	14 0%	47	15 7%	34	11 3%	35	11 7%
Basic	92	30 7%	90	30 0%	88	29 3%	96	32 0%
Approaching Basic	71	23 7%	73	24 3%	88	29 3%	81	27 0%
Unsatisfactory	70	23 3%	80	26 7%	73	24 3%	73	24 3%
Total	300	100 0%	300	100 0%	300	100 0%	300	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	7	2 7%	9	3 5%	4	1 6%	3	1 2%
Mastery	48	18 8%	37	14 5%	14	5 5%	18	7 0%
Basic	101	39 5%	101	39 5%	83	32 4%	110	43 0%
Approaching Basic	67	26 2%	50	19 5%	112	43 8%	63	24 6%
Unsatisfactory	33	12 9%	59	23 0%	43	16 8%	62	24 2%
Total	256	100 0%	256	100 0%	256	100 0%	256	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0 4%	7	2 6%	1	0 4%	5	1 8%
Mastery	15	5 5%	14	5 1%	16	5 8%	13	4 7%
Basic	125	45 8%	119	43 6%	119	43 4%	124	45 3%
Approaching Basic	94	34 4%	71	26 0%	107	39 1%	87	31 8%
Unsatisfactory	38	13 9%	62	22 7%	31	11 3%	45	16 4%
Total	273	100 0%	273	100 0%	274	100 0%	274	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	12	5 0%	6	2 5%	1	0 4%	0	0 0%
Mastery	29	12 1%	13	5 4%	29	12 1%	29	12 1%
Basic	111	46 4%	110	46 0%	88	38 8%	110	48 0%
Approaching Basic	63	26 4%	68	28 5%	79	33 1%	52	21 8%
Unsatisfactory	24	10 0%	42	17 6%	42	17 6%	48	20 1%
Total	239	100 0%	239	100 0%	239	100 0%	239	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	0 5%	1	0 5%
Mastery	3	1 5%	7	3 5%
Basic	83	41 9%	97	48 7%
Approaching Basic	80	40 4%	48	24 1%
Unsatisfactory	31	15 7%	46	23 1%
Total	198	100 0%	199	100 0%

Schedule 9 Continued

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	5.4%	9	3.4%	1	0.4%	6	2.3%
Mastery	51	19.5%	31	11.9%	35	13.4%	40	15.4%
Basic	71	27.2%	94	36.0%	101	38.7%	91	35.0%
Approaching Basic	68	26.1%	59	22.6%	76	29.1%	58	21.5%
Unsatisfactory	57	21.8%	68	26.1%	48	18.4%	67	25.8%
Total	261	100.0%	261	100.0%	261	100.0%	260	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	1.4%	5	2.4%	0	0.0%	0	0.0%
Mastery	34	16.0%	8	3.8%	14	6.6%	15	7.1%
Basic	103	48.6%	90	42.5%	81	38.2%	112	53.1%
Approaching Basic	43	20.3%	60	28.3%	79	37.3%	45	21.3%
Unsatisfactory	29	13.7%	49	23.1%	38	17.9%	39	18.5%
Total	212	100.0%	212	100.0%	212	100.0%	211	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	1.7%	7	3.0%	2	0.9%	8	3.5%
Mastery	18	7.8%	23	10.0%	15	6.5%	9	3.9%
Basic	113	48.9%	106	45.9%	95	41.1%	105	45.5%
Approaching Basic	76	32.9%	40	17.3%	86	37.2%	75	32.5%
Unsatisfactory	20	8.7%	55	23.8%	33	14.3%	34	14.7%
Total	231	100.0%	231	100.0%	231	100.0%	231	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	0.4%	4	1.8%	0	0.0%	2	0.9%
Mastery	25	11.2%	12	5.4%	17	7.7%	9	4.1%
Basic	79	35.4%	81	36.3%	78	35.3%	75	33.8%
Approaching Basic	82	36.8%	67	30.0%	89	40.3%	87	39.2%
Unsatisfactory	36	16.1%	59	26.5%	37	16.7%	49	22.1%
Total	223	100.0%	223	100.0%	221	100.0%	222	100.0%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%
Basic	0	0.0%	0	0.0%
Approaching Basic	0	0.0%	0	0.0%
Unsatisfactory	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%