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**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2009**

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

4/21/10

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Member
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
**Advocacy for the Arts and Technology in
New Orleans, Louisiana, Inc.**

We have audited the accompanying statement of financial position of **Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (AA&T)** (a not-for-profit corporation) as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of AA&T's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements of AA&T referred to above present fairly, in all material respects, the financial position of AA&T as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
**Advocacy for the Arts and Technology in
New Orleans, Louisiana, Inc.,**

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In accordance with the Government Auditing Standards, we have also issued our report dated March 19, 2010 on our consideration of AA&T'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.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010



ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 28,963
Grants receivable	107,559
Prepaid expenses	<u>907</u>
Total assets	<u>\$137,429</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 53,631
Accrued liabilities	<u>52,936</u>
Total liabilities	<u>106,567</u>
Net Assets:	
Unrestricted	<u>30,862</u>
Total net assets	<u>30,862</u>
Total liabilities and net assets	<u>\$137,429</u>

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Revenues

Local Sources:

Minimum Foundation Program	\$ 236,146
Grants (NOTE 8)	318,000
Contributions	7,520
Interest earnings	719
Other miscellaneous	<u>20,653</u>

Total local sources 583,038

State Sources:

Minimum Foundation Program	198,368
Grant (NOTE 8)	<u>199,244</u>

Total state sources 397,612

Federal grants (NOTE 8) 281,956

Total revenues 1,262,606

Expenses

Program Services:

Instruction	687,052
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Support Services:

Pupil support services	54,026
Instructional staff services	8,371
General administration	1,219
School administration	210,421
Business services	115,235
Plant services	15,436
Student transportation services	133,200
Food services operations	<u>10,533</u>

Total expenses 1,235,493

Change in net assets 27,113

Net assets - July 1, 2008 3,749

Net assets - June 30, 2009 \$ 30,862

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 27,113
Change in Assets and Liabilities:	
Decrease in prepaid expense	22,480
Increase in grants receivable	(74,744)
Increase in accounts payable	29,262
Increase in accrued liabilities	52,936
Decrease in deferred revenue	<u>(275,000)</u>
Net cash used in operating activities	<u>(217,953)</u>
Decrease in cash used equivalents	(217,953)
Cash and cash equivalents, beginning of year	<u>246,916</u>
Cash and cash equivalents, end of year	<u>\$ 28,963</u>

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:

General

The Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (AA&T) was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2007 to operate a Type 5 public charter school d/b/a Crocker Arts and Technology School.

AA&T seeks to provide education services according to the educational standards established by law, the charter contract and the charter application/proposal; measures pupil progress toward stated goals; and participates in pupil assessment required by law regulation and BESE policy.

The mission of AA&T is to produce world class learners by providing the highest quality of teaching and learning, so all students can achieve academic success.

During the 2009 school year, AA&T is serving pre-kindergarten through second grades.

Basis of Accounting

AA&T's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Equipment

Equipment of AA&T with a cost of \$1,000 or more is recorded as assets (capitalized) and is stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by AA&T. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. CONTINUED:

Income Taxes

AA&T is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", AA&T is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of AA&T.

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

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

At June 30, 2009, AA&T has no temporarily or permanently restricted net assets.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No 116, "Accounting for Contributions Received and Contributions Made", unconditional promises to give (pledges) should be recorded as receivables and revenues and AA&T is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets.

Minimum Foundation Program (MFP)

AA&T, as a Type 5 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at AA&T. The amount of funding received is adjusted during the school year based on a student count on a designated date and the result of any audits performed.

Functional Allocation of Expenses

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Paid Leave

Employees earn ten (10) days paid leave per year to be used in the event of their own illness, a family illness, bereavement, or personal business. Such paid leave may be used for the purpose of visiting doctors, dentist or other recognized practitioners. Employees may also use paid leave for the above reasons when it relates to immediate family members only. Paid leave cannot be carried from one year to the next. AA&T will pay the employee for unused leave upon termination, provided termination is before school year end.

NOTE 2 - RISK MANAGEMENT:

AA&T is exposed to various risks of loss related to torts, theft of, damage to and destruction of property or which AA&T carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 3 - CONCENTRATION OF CREDIT RISK:

AA&T maintains cash balances at a local bank. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000. As of June 30, 2009, AA&T has no uninsured cash balances.

NOTE 4 - CONTINGENCY:

AA&T is a recipient of federal and state grants. The grants are governed by various Federal and State guidelines, regulations, and contractual agreements.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - CONTINGENCY, CONTINUED:

The administration of the programs and activities funded by these grants are under the control and administration of AA&T and are subject to audit and/or review by the federal and state grantor. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the Federal and State agencies may be subject to recapture.

NOTE 5 - IN-KIND CONTRIBUTIONS:

AA&T received rent-free use of a school building from the Louisiana Recovery School District and also the use of furniture and equipment rent-free. The estimated values of the use of the building and furniture/equipment were not readily determinable and no amounts have been recorded in the accompanying financial statements.

NOTE 6 - BOARD OF DIRECTORS' COMPENSATION:

The board of directors of AA&T is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2009.

NOTE 7 - RETIREMENT PLAN:

Substantially all employees of AA&T participate in the Teacher's Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants.

The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, LA 70804-9123.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - RETIREMENT PLAN, CONTINUED:

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll and AA&T is required to contribute 15.5% of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the year ended June 30, 2009, AA&T's contributions to this plan totaled \$49,193.

NOTE 8 - GRANT REVENUES:

During the year ended June 30, 2009, AA&T earned grant revenues as follows:

Social Sources:	
Walton Family Foundation	\$250,000
New Schools for New Orleans	25,000
Private donor	25,000
Baptist Community Ministries	<u>18,000</u>
Total	<u>\$318,000</u>
State Sources:	
LA-4 Early Childhood Program	<u>\$199,244</u>
Federal Sources:	
Public Charter Schools Program	\$203,536
Title I	49,110
Title II	11,164
IDEA P.L. 101-476	<u>18,146</u>
Total	<u>\$281,956</u>



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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

To the Board of Directors of
**Advocacy for the Arts and Technology in
New Orleans, Louisiana, Inc.**

We have audited the financial statements of **Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (AA&T)** (a not-for-profit corporation) as of and for the year ended June 30, 2009, and have issued our report thereon dated March 19, 2010. 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

In planning and performing our audit, we considered AA&T'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 AA&T's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of AA&T's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects AA&T's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of AA&T's financial statements that is more than inconsequential will not be prevented or detected by AA&T's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-01 through 09-10 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by AA&T's internal control. Of the significant deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs, we consider items 09-01, 09-03 through 09-05 and 09-08 through 09-10 to be material weaknesses.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

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
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AA&T's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as items 09-07 through 09-09.

We noted certain matters that we reported to management of AA&T in a separate letter dated March 19, 2010.

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

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Section I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **Unqualified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes** Material weaknesses: **Yes**
- C. Noncompliance which is material to the financial statements: **Yes.**
- D. Significant deficiencies in internal control over major programs: **Not Applicable** Material weaknesses: **Not Applicable**
- E. The type of report issued on compliance for major programs: **Not Applicable**
- F. Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **Not Applicable.**
- G. Major programs: **Not Applicable**
- H. Dollar threshold used to distinguish between Type A and Type B programs: **Not Applicable.**
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **Not Applicable.**
- J. A management letter issued: **Yes.**

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Finding Reference Number

09-01 - Bank Reconciliation Procedures

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our audit that bank reconciliations were not timely prepared. Additionally, bank reconciliations lacked evidence of supervisory review and approval.

Effect

There is a potential that the financial statements will be misstated or fraudulent activity will occur and not be detected from untimely prepared bank reconciliations and the absence of documented review and approval procedures of bank reconciliations.

Cause

AA&T has not designed internal controls procedures that require the review and approval process of bank reconciliations to be fully documented and timely prepared.

Recommendation

We recommend that AA&T immediately implement policies and procedures that provide that all bank reconciliations prepared by staff are done timely and documented as being reviewed and approved by a supervisor.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-02 - Inaccurate Bank Reconciliations

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our testwork of bank reconciliations that AA&T incorrectly listed checks to a vendor as outstanding at June 30, 2009 in the total amount of \$29,813. An audit adjustment was made to increase cash and record an account payable for checks written prior to year end that were actually remitted to a vendor in October 2009.

Effect

As of June 30, 2009, cash and account payable were materially misstated prior to the recording of the above audit adjustment.

Cause

Vendors invoices were disputed causing checks dated within the 2009 fiscal year to be remitted to the vendor four (4) months subsequent to year end or October 2009.

Recommendation

We recommend that AA&T cease the practice of recording checks as paid on the check date when in actuality such checks are held for certain reasons and remitted to the vendors at a later date.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-03 - Accrual Basis Monthly and Year End Financial Statements

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

During the course of our audit, we noted that management was not preparing each month, nor at year end, financial statements reflecting outstanding grant reimbursement requests and accrued liabilities. Audit adjustments were made for grants receivable in the amount of \$90,596 and accrued liabilities in the amount of \$40,809.

Effect

AA&T's financial statements were materially misstated prior to the recording of the above audit adjustments.

Cause

AA&T did not have procedures established to require material receivables and accounts payable to be reported in the financial statements.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-03 - Accrual Basis Monthly and Year End Financial Statements, Continued

Recommendation

We recommend that financial statements be prepared each month and at year end on an accrual basis reflecting outstanding grant reimbursement requests from all funding sources and accrued liabilities. We also recommend that the monthly financial statements be prepared within thirty (30) days following the month end and the year end financials be prepared within sixty (60) days of year end and in each instance be discussed with the Finance Committee and Board of Directors. The minutes of the Finance Committee and Board of Directors meetings should reflect an indication of such discussions.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-04 - Payroll Time and Attendance

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our testwork of payroll transactions that there is no evidence to support that payroll time and attendance records are being reviewed and approved prior to being processed by the outside payroll company. Time and attendance records are not maintained with payroll records in order to justify pay adjustments.

Effect

There is a potential for an employee being paid incorrectly.

Cause

AA&T lacks internal control procedures to document the independent review and approval of payroll.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-04 - Payroll Time and Attendance, Continued

Recommendation

We recommend AA&T immediately establish and implement procedures to require that daily time and attendance records be reviewed and approved by a person that is independent of any personnel and payroll duties. This payroll review and approval of employees' time and attendance records should be certified with a signature by the responsible party and timely forwarded to the business manager for processing along with supporting time and attendance documentation.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-05 - Payroll Payments

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

During the course of our audit we noted that AA&T reported on its Profile of Educational Personnel (PEP) report that was remitted to the Louisiana Department of Education the annual total of workdays required and/or governed by the school's employee contracts under which the staff member was employed for the 2009 school year to be 191 work days. However, AA&T requires employees to be paid over twenty-four (24) pay periods during the fiscal year.

In our reperformance of payroll calculations for certain employees, we calculated earnings using the required work days of 191. Our calculation resulted in an amount that appears to be due to the selected employees. Management is not in agreement with our calculation and has declined to recognize such a liability; therefore, the amount is not included in the financial statements for the year ended June 30, 2009 because we determined such an amount to be immaterial.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. , .
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-05 - Payroll Payments, Continued

Condition, Continued

It is management's position that employees are required to work the 191 days but are subject to be on call for the summer months; thus, employee pay is earned over a twenty-four (24) pay periods, not the PEP reported 191 required work days. During the period of non-instruction or non-student days (July and approximately one half of June) employees were not remitting timesheets or other documentation in support of payroll checks received. As of the date of this report, management has not provided a recalculation of earnings based on twenty-four (24) pay periods for the selected employees referenced in our aforementioned calculations.

We also noted certain other employees completing their contract term of twelve (12) months were not paid for their total earnings as outlined in their contract. This amount totaled a liability of \$5,649, which resulted in management's agreement of an audit adjustment for this amount.

Effect

There is a potential for overpayment or underpayment of employees payroll based upon what is reported to the Louisiana Department of Education and the employment contract of a class of employees.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-05 - Payroll Payments, Continued

Cause

AA&T lacks a clear understanding and reconciliation of the work days reported on the PEP report and the work days required in the employment contract.

Recommendation

We recommend AA&T immediately establish and implement procedures to ensure that each payroll is accurately calculated based on employees time worked and authorized salaries contained in their contract.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-06 - Financial Statement Presentation and Disclosure

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess areas of potential risk.

Condition

We noted during our audit that the person responsible for the accounting and reporting function lacked the skills and knowledge to apply generally accepted accounting principles (GAAP) in recording AA&T's financial transactions and preparing its financial statements. Additionally, we noted no other individual within AA&T's organization that could adequately apply GAAP.

Effect

The financial statements were prepared on a non GAAP basis prior to the auditors start of its fieldwork and completion.

Cause

AA&T's did not have sufficient expertise (internally or externally) in selecting and applying accounting principles in conformity with GAAP.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-06 - Financial Statement Presentation and Disclosure, Continued

Recommendation

We recommend AA&T immediately implement procedures to adequately train staff to ensure that adequate controls exist over the selection and application of accounting principles that are in conformity with GAAP.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-07 - Submission of Audit Report

Criteria

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.

Condition

The June 30, 2009 audited financial statements were not submitted to the Legislative Auditor by the statutory due date of December 31, 2009. The Legislative Auditor had approved an extension of time for AA&T to file its annual June 30, 2009 financial report by no later March 31, 2010. AA&T was granted this extension for circumstances other than a natural disaster.

Effect

An audit report filed with an approved extension from the Legislative Auditor after the six (6) months timeframe for any reason other than for a natural disaster is a violation of the State audit completion and submission law.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC. ,
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-07 - Submission of Audit Report, Continued

Cause

AA&T's financial statements were not completed until December 2009.

Recommendation

We recommend that AA&T review its financial reporting procedures to ensure that audit engagements are submitted to the State of Louisiana Legislative Auditor within the required time frame.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-08 - Cash Management

CFDA 84.282 Public Charter School Program (PCSP)

Criteria

Public Charter School Program (PCSP) Federal funds are passed through the Louisiana Department of Education (LDOE). As such, subrecipients of Federal funds are required to follow the guidance included in LDOE's "Grants Management Quick Reference" guide for requests for funds which states in part:

"Each recipient may request only actual expenditures for which he/she has issued a check for payment. Salaries and fringe benefits are the only exception of this policy. Due to the processing time incurred between the mailing of the claim for reimbursement and the actual receipt of funds from the LDOE, a recipient may estimate and request payroll costs one month in advance. However, on final determination of actual payroll costs, when an estimate of payroll is in excess of actual expenditures, the excess cash must be reported on the next claim for reimbursement. The amount of funds requested on the next claim for reimbursement must be reduced by the amount of the excess cash".

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-08 - Cash Management, Continued

Condition

The reimbursement method is authorized by the State pass-through entity to reimburse AA&T for allowable grant costs. We noted during our audit that AA&T requested for reimbursement costs that had not been paid prior to the date of the reimbursement requests.

Effect

AA&T has not complied with the State reimbursement method for allowable grant costs requirements and the amount requested for reimbursement costs (\$36,669) at June 30, 2009, that had not been paid prior to the date of reimbursement requests, could be questioned costs.

Cause

AA&T's procedures to request reimbursement of allowable grant costs did not preclude requesting grant costs that were paid after the date of the reimbursement request.

Recommendation

We recommend that AA&T revise its current request for reimbursement procedures to ensure that reimbursement requests are only made for paid grant costs, except payroll costs which can be requested up to one (1) month in advance.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

Finding Reference Number

09-09 - Period of Availability

CFDA 84.282 Public Charter Schools Program

Criteria

2 CFR Section 215.28 states—

“Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency”.

Condition

During our testwork, at June 30, 2009, we noted that purchased professional consulting expenses amounting to \$20,000 were requested and reimbursed for expenses that the services were not rendered until subsequent to June 30, 2009.

Effect

Since the expense for which AA&T received the cost reimbursement in the June 30, 2009 fiscal year, was not incurred until the period subsequent to June 30, 2009, AA&T was not entitled to request reimbursement for this expense amounting to \$20,000 at June 30, 2009.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Finding Reference Number

09-09 - Period of Availability, Continued

Cause

Lack of procedures to ensure that only allowable costs within the period of availability were claimed for reimbursements.

Recommendation

We recommend that AA&T establish internal control to provide reasonable assurance that federal funds are used only during the authorized period of availability.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Finding Reference Number

09-10 - Material Audit Adjustments

Criteria

Management must establish internal control objectives for the accuracy of financial statements and the validity of transactions in order to effectively assess area of potential risk.

Condition

We identified material misstatements in the financial statements as of and for the year ended June 30, 2009 that were not initially identified by AA&T's internal control. Material audit adjustments were made to cash, grants receivable and revenues, accounts payable and accrued liabilities, and other revenue and expense accounts. The net amount of audit adjustments was \$28,063.

Effect

AA&T's financial statements for the year ended June 30, 2009 were materially misstated.

Cause

Effective controls did not exist in the 2009 fiscal year to prevent or detect a material misstatement of the financial statements.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Finding Reference Number

09-10 - Material Audit Adjustments, Continued

Recommendation

We recommend that AA&T design proper controls to prevent or detect a material misstatement of the financial statements.

SECTION III - FINDINGS RELATED TO QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Not applicable.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

**Section I - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

No findings were reported.

**Section II - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS**

No single audit was required in the prior year.

Section III - MANAGEMENT LETTER

No matters were reported.



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INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors of
**Advocacy for the Arts and Technology in
New Orleans, Louisiana, Inc.**

We have audited the financial statements of the **Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (AA&T)** for the year ended June 30, 2009 and have issued our report thereon dated March 19, 2010.

In planning and performing our audit of the financial statements of **AA&T** as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered **AA&T's** internal control over financial reporting (internal control) 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 **AA&T's** internal control. Accordingly, we do not express an opinion on the effectiveness of **AA&T's** internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and recommendations regarding these matters are outlined below. This letter does not affect our report dated March 19, 2010 on the financial statements of **AA&T**.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various personnel of **AA&T**, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of the matters and assist you in implementing the recommendations.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
CURRENT YEAR COMMENTS

09 - 01 Disaster Recovery Program

We noted that AA&T does not have well defined, written and tested disaster recovery procedures for safeguarding financial records, assets and student data. The plan should be adequately defined and sufficiently efficiently detailed to provide for all safeguards in the event of an emergency situation.

Recommendation

We recommend that a formal Disaster Recovery Program be implemented and that related policies and procedures be developed. Backup of financial operations should be a major consideration.

09 - 02 Timely Grant Reimbursement Request

During the course of our audit, we noted a reimbursement request was remitted in July 2009 to the funding agency for reimbursement of grant expenses in the amount of \$90,596 for the period of February 1, 2009 – June 30, 2009. We further noted during our audit an outstanding grant reimbursement request from February 27, 2009, which was due to an incorrect initial submission. The reimbursement request was ultimately reduced because of insufficient remaining budgeted funds at the time the error was detected.

Recommendation

We recommend that a system be developed whereby grant reimbursement requests are remitted to funding sources on a monthly basis and documented follow-up be made regarding the status of the reimbursement within forty-five (45) to sixty (60) days after submission. The reimbursement request should be the basis for recording the appropriate entries in the accounting records i.e., grant receivables, grant revenues and the related grant expenses.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
CURRENT YEAR COMMENTS, CONTINUED

09 - 03 Grant Compliance

During the course of our audit, management received and expended funds from a private grant differently from the approved budget of or from the funding source. Management was required to submit an annual report to funding source include the use of funds. Currently, management is seeking approval from the grantor for any grant funds received for unbudgeted costs and is in the process of submitting an annual report, as required by the terms and conditions of the grant.

Recommendation

We recommend that management take the necessary steps to implement controls to ensure that the terms and conditions of grant contracts/agreements are fully met.

09 - 04 Property Management

During the course of our audit, we noted AA&T does not have property management policies for musical instruments and computers used in classroom instruction.

Recommendation

We recommend that AA&T establish and implement property management policies and procedures to safeguard the assets purchased and donated to the school. Policies and procedures should include receiving and tagging measures. Policies should also include conducting frequent physical counts and safe physical storage of such instructional material.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
CURRENT YEAR COMMENTS, CONTINUED

09 - 05- Credit Card Policies

During the course of our audit we noted that **AA&T** were not following their financial policies and procedures manual in all instances relative to credit card purchases. Several instances were noted where payments were made based upon the monthly credit card statements without matching the supporting documentation for the individual charges during the month. We also noted several instances in which the independent external consultant was allowed to make school related charges via phone from school. The consultant was not an authorized signer on the accounts.

Recommendation

We recommend that management adhere to its policies and procedures relative to credit card usage, the payment of the monthly statements be supported with the original charge receipts and other required documentation. The use of the credit card should be limited to those individuals whose name is on file with the credit card company.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
STATUS OF PRIOR YEAR COMMENT

No comments were reported in prior year.

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

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 19, 2010

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.**

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

FOR THE YEAR ENDED JUNE 30, 2009

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

To the Board of Directors
**Advocacy for the Arts and Technology in
New Orleans, Louisiana, Inc.**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the **Advocacy for the Arts and Technology in New Orleans, Louisiana, Inc. (AA&T)** 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. 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.

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, the Board of Directors, 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.

Bruno & Tervalon LLP
**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

March 19, 2010

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

Our procedures and findings relate to the accompanying schedules and are as follows:

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

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

No differences noted.

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 and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this schedule and to AA&T's supporting payroll records as of October 1, 2008.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Education Levels of Public School Staff (SCHEDULE 2), continued

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (SCHEDULE 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule. We traced one hundred percent (100%) of those employees to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (SCHEDULE 3)

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

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Experience of Public 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, 2008 and as reported on the schedule and traced one hundred percent (100%) of those employees to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Finding

We noted in six (6) instances of the eleven (11) tested individual personnel files, where an individual's experience level did not agree with the experience level reported to the State of Louisiana in the Profile of Educational Personnel (PEP) report.

Also, in two (2) instances of the eleven (11) individual personnel files tested, we noted no evidence on file to support the experience level classification reported in the PEP report.

The accompanying Schedule 4 has been modified to reflect corrected information.

Public School Staff Data (SCHEDULE 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and rehired retiree status as well as full-time equivalent as reported on the schedule and traced one hundred percent (100%) of those employees to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Finding

We noted in nine (9) instances of the nine (9) tested individual personnel files, where an individual's salary level did not agree with the salary included in the salary reported to the State of Louisiana in the PEP report.

The accompanying Schedule 5 has been modified to reflect corrected information.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

Public School Staff Data (SCHEDULE 5), continued

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

No differences 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. We then traced a random sample of 10 classes to the October 1, 2008 roll books for those classes and determined if the class was properly classified on the schedule.

Finding

We noted in our tracing of the sample classes to the class sizes five (5) instances of ten (10), where the information reflected on the roll book did not match the information reported in the Site Teacher Roster generated from Louisiana Education Accountability Data System (LEADS).

We noted in our tracing of the sample classes to the class sizes four (4) instances of ten (10), where management was unable to provide roll books for the selected class.

We noted in our testing fifteen (15) classes were not included in the Site Teacher Roster generated from LEADS.

The accompanying Schedule 6 has been modified to reflect corrected information.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

*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 AA&T.

This procedure was not applicable because AA&T operates only one charter school, which includes grades K to 2nd.

Graduation Exit Exam for the 21st Century (SCHEDULE 8)

11. We did not obtain test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by AA&T.

This procedure was not applicable because AA&T operates only one charter school, which includes grades K to 2nd.

The iLEAP 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 AA&T.

This procedure was not applicable because AA&T operates only one charter school, which includes grades K to 2nd.

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)

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

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

SCHEDULE 2 - Education Levels of Public School Staff

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

SCHEDULE 3 - Number and Type of Public Schools

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

SCHEDULE 4 - Experience of Public Principals and Full-time Classroom Teachers

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 5 - Public School Staff Data

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

SCHEDULE 6 - Class Size Characteristics

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

**SCHEDULE 7 - Louisiana Educational Assessment Program (LEAP)
for the 21st Century**

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

SCHEDULE 8 - The Graduation Exit Exam for the 21st Century

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

ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN
NEW ORLEANS, LOUISIANA, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 9 - The iLEAP Tests

This schedule represents student performance testing data and includes statewide and district summary scores for grades 3, 5, 6, 7 and 9 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule J

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	335,238	
Other Instructional Staff Activities		87,472	
Employee Benefits		123,504	
Purchased Professional and Technical Services		55,235	
Instructional Materials and Supplies		73,865	
Instructional Equipment		10,760	
Total Teacher and Student Interaction Activities	\$		686,074

Other Instructional Activities 978

Pupil Support Activities	54,026	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		54,026

Instructional Staff Services	11,915	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		11,915

School Administration	210,355	
Less: Equipment for School Administration	-	
Net School Administration		210,355

Total General Fund Instructional Expenditures \$ 963,348

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 2

Education Levels of Public School Staff
As of October 1, 2008

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								
Bachelor's Degree	7	87%						
Master's Degree	1	13%	1	100%	1	50%		
Master's Degree +30					1	50%		
Specialist in Education								
Ph.D. or Ed.D.								
Total	8	100%	1	100%	2	100%		

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2009

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

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 4

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2008

	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	1	0	0	0	0	1
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	4	0	5	0	0	0	0	9
Total	4	0	7	0	0	0	0	11

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 5

Public School Staff Data
For the Year Ended June 30, 2009

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 40,016	
Average Classroom Teachers' Salary Including Extra Compensation		N/A
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries		9

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation.

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 6

Class Size Characteristics
As of October 1, 2008

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	64.3%	18	7.1%	2				
Elementary Activity Classes	28.6%	8						
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students.

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 7

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

Note: This schedule does not apply because AA&T only served grades Pre-K through 2 in the 2009 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

ADVOCACY FOR THE ARTS AND TECHNOLOGY IN
NEW ORLEANS, LOUISIANA, INC

Schedule 8

The Graduate Exit Exam for the 21st Century
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

Note: This schedule does not apply because AA&T only served grades Pre-K through 2 in the 2009 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *ILEAP* Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

Note: This schedule does not apply because AA&T only served grades Pre-K through 2 in the 2009 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *iLEAP* Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

Note: This schedule does not apply because AA&T only served grades Pre-K through 2 in the 2009 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *ILEAP* Tests
For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

Note: This schedule does not apply because AA&T only served grades Pre-K through 2 in the 2009 fiscal year.

See accompanying independent accountants' report on applying agreed-upon procedures.

**ADVOCACY FOR THE ARTS AND TECHNOLOGY
IN NEW ORLEANS, LOUISIANA, INC.
POST OFFICE BOX 15378
NEW ORLEANS, LA 70175-5378**

*Mission: To produce world-class learners by providing the highest quality of teaching and learning,
so all students can achieve academic success.*

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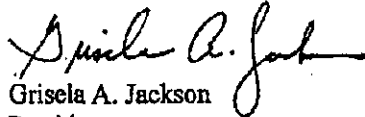
March 29, 2010

Bruno & Tervalon, LLP, CPA's
Attn: Mr. Michael Bruno, CPA
4298 Elysian Fields
New Orleans, Louisiana 70126

Mr. Bruno,

Please find our corrective action plan for the schedule of findings as of June 30, 2009.

Very truly yours,



Grisela A. Jackson
President

/gaj

Enclosure



Lawrence D. Crocker Arts and Technology School
BESE Authorized December 6, 2007

09-01 Bank Reconciliation

Beginning April 1, 2010, bank reconciliations will be prepared by the 15th of the month. The reconciliations will be prepared by the Business/Operations Manager and approved by the Principal. Both parties will initial and date the reconciliation.

09-02 Inaccurate Bank Reconciliations

Effective immediately, any payments that need to be held will remain a liability until such time as payment can be remitted.

09-03 Accrual Basis Monthly and Year End Financial Statements

We have contracted with an external accountant who will assist with monthly accruals and the preparation of year end statements. The financial statements will be prepared within 30 days of the end of the month and discussed with the Finance Committee and Board of Directors on a monthly basis. These discussions will be documented through minutes.

09-04 Payroll Time and Attendance

We have established and implemented procedures that require the use of a daily time card. The time cards will be initialed by each employee. The School Secretary will review the time cards, check each card for the initials of the employee and summarize the information in preparation for submittal to the payroll processor. The Principal will be responsible for reviewing the work of the School Secretary and signing the payroll document noting her approval to the Business Manager to process. The Business/Operations Manager will be responsible for submitting to the payroll processor and recording the related payroll entries in QuickBooks.

09-05 Payroll Payments

Personnel files will be reviewed to ensure that employees' current pay agrees to the amount on file and authorized by the Principal. We will review the process of our employment contracts and amounts paid to ensure consistency.

09-06 Financial Statement Presentation and Disclosure

We have contracted with an external accountant to train and assist the Business/Operations Manager in the preparation of the financial statements. As part of this training, we will provide guidance in the selection and application of accounting principles in accordance with generally accepted accounting principles.

09-07 Submission of Audit Report

We have contracted with an external accountant who will assist us in preparing the financial statements on a monthly basis. This decision will also allow for the year end closeout to occur within sixty days and will allow for the timely completion of the audit, as well as the timely submission of the audit report to the Legislative Auditor.

09-08 Cash Management

We have developed a policy for grants. This policy states that when preparing the reimbursement packet, we will compile invoices, supporting schedules, vendor check copies and copies of cleared checks whenever possible. The inclusion of the check copies and cancelled checks, when available, will ensure that reimbursement requests are not made prior to expenses being incurred and paid, with the exception of one month's payroll cost. The policy further states that the Principal will approve the reimbursement request and review the packet to ensure that appropriate documentation is attached. The completed packet will provide the supporting documentation necessary to prepare the journal entry to record the grant receivable.

9-09 Period of Availability

The newly developed grant reimbursement request policy states that the Business/Operations Manager will review invoices to confirm that the expenses have been incurred during the period of availability. The policy further states that the Principal will approve the reimbursement request and review the packet to ensure that the expenses presented for reimbursement were incurred during the period of availability.

09-10 Material Audit Adjustments

We have contracted with an external accountant who will assist in the monthly financial statement preparation, as well as assist in recording accruals for the annual audit. This effort will significantly limit any material audit adjustments.

The following is the corrective action plan for the management letter comments.

09-01 Disaster Recovery Program

Currently, we use QuickBooks Online Edition. Intuit, the provider of QuickBooks Online Edition, backs up the data nightly. The Business/Operations Manager and School Principal will maintain one flash drive per person to back up monthly and annual copies of the general ledger as well as all other financial related files. Additional elements of the Disaster Recovery Program are being developed.

09-02 Timely Grant Reimbursement Request

Our newly developed grant reimbursement policy states that reimbursement requests will be submitted on a monthly basis. The policy also states that a follow up, of unpaid requests, will be performed within 60 days of the initial submittal of the request. Any follow up discussions, will be properly documented in the grant files.

09-03 Grant Compliance

The Business/Operations Manager will review current grant agreements and refer to those agreements and the approved budgets when expending funds. When approving the reimbursement or funding request, the Principal will review to ensure that the request is in compliance with the agreement and the approved budget.

09-04 Property Management

We are developing a property management policy. The policy states that all property will be tagged with an identification number. The Business/Operations Manager and School Secretary will perform an inventory, three times per year, to account for school property. Staff members will be updated on the new property policy and will be encouraged to adhere to the policy, particularly making sure property is locked when not being used.

09-05 Credit Card Policies

Our credit card policy is being reviewed. We have created a credit card purchase requisition form that can be used immediately. Also effective immediately, the Business/Operations Manager will ensure that receipts and related documentation to support credit card purchases are attached to the statement.

The following is the corrective action plan for the agreed upon procedures.

6. Experience of Public Principals and Full-Time Classroom Teachers.

The School Secretary will be responsible for updating the staff files on an annual basis. The Principal will prepare the PEP report based on information found within the personnel files. With the assistance of the School Secretary, the Principal will verify the accuracy and consistency of information reported as well ensuring the schedules are mathematically correct.

7. Public School Staff Data

The School Secretary will be responsible for updating the staff files on an annual basis. The Principal will prepare the PEP report based on information found within the personnel files. With the assistance of the School Secretary, the Principal will verify the accuracy and consistency of information reported as well ensuring the schedules are mathematically correct.

9. Class Size Characteristics

Teachers will be required to submit roll books on a quarterly basis to the Principal. The Principal will follow up with teachers who have not submitted their roll books in accordance with the policy.