

**LAKE FOREST ELEMENTARY
CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2014

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Independent Auditor's Report

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Lake Forest Elementary Charter School (the School) which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Forest Elementary Charter School as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Schedules 1 through 9 are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
September 5, 2014

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Statement of Financial Position
 June 30, 2014

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 2,397,199
Certificates of Deposit	2,165,533
Prepaid Expenses	36,750
Grants Receivable	<u>280,100</u>
Total Current Assets	<u>4,879,582</u>
Fixed Assets	
Furniture and Equipment	238,068
Leasehold Improvements	12,725
Accumulated Depreciation	<u>(169,330)</u>
Total Fixed Assets, Net	<u>81,463</u>
Total Assets	<u>\$ 4,961,045</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 21,524
Accrued Liabilities	<u>34,844</u>
Total Current Liabilities	<u>56,368</u>
Net Assets	
Unrestricted	<u>4,904,677</u>
Total Liabilities and Net Assets	<u>\$ 4,961,045</u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2014**

	<u>Unrestricted</u>
Revenue, Grants, and Other Support	
State Public School Funding	\$ 4,975,353
Federal Grants	599,613
Other Income	396,454
Donations	73,089
State Grants	<u>46,584</u>
Total Revenue, Grants, and Other Support	<u>6,091,093</u>
Expenses	
Program Services	
Regular Education Programs	2,229,916
School Administration	528,410
Operation and Maintenance	398,644
Special Education Programs	366,976
Instructional Staff Services	306,794
Food Service Operations	259,942
Pupil Support Services	231,370
Other Instructional Programs	138,737
Special Programs	136,007
Depreciation	39,074
Student Transportation	3,900
Management and General	
Business Services	476,814
General Administration	164,135
Fundraising	<u>88,278</u>
Total Expenses	<u>5,368,997</u>
Increase in Net Assets	722,096
Net Assets, Beginning of Year	<u>4,182,581</u>
Net Assets, End of Year	<u>\$ 4,904,677</u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2014**

Cash Flows from Operating Activities	
Increase in Net Assets	\$ 722,096
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	39,074
Increase in Grants Receivable	(90,925)
Increase in Prepaid Expenses	(5,800)
Increase in Accounts Payable	6,449
Decrease in Accrued Liabilities	<u>(4,318)</u>
Total Adjustments	<u>(55,520)</u>
Net Cash Provided by Operating Activities	<u>666,576</u>
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(9,900)
Net Increase in Certificates of Deposit	<u>(44,315)</u>
Net Cash Used in Investing Activities	<u>(54,215)</u>
Net Increase in Cash and Cash Equivalents	612,361
Cash and Cash Equivalents, Beginning of Year	<u>1,784,838</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,397,199</u></u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Lake Forest Elementary Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on March 14, 2006. The School applied to the Orleans Parish School Board to operate a Type 3 charter school. In July 2011, the School received a 10 year extension of the charter. The School serves eligible students in pre-kindergarten through eighth grade.

The School leases its building rent free from the Orleans Parish School Board.

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

Financial Statement Presentation

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

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

Basis of Accounting

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

Revenues

The School's primary source of funding is through the State Public School Funding and the Orleans Parish School Board. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

Statement of Cash Flows

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

Use of Estimates

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

Concentrations

The School received 82% of its revenues in the year ended June 30, 2014 from the State Public School Funding and the Orleans Parish School Board, subject to its charter school contract with the School Board, and 10% of its funding from the federal government.

As noted earlier, the School is leasing its building from the Orleans Parish School Board rent free. Should this lease not be extended further, it would have an unfavorable impact to the School.

Note 2. Cash and Certificates of Deposits

The School's cash and cash equivalents (book balances) at June 30, 2014, were \$2,397,199, which are stated at cost and approximate market.

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

The School's investments are limited to certificates of deposit totaling \$2,165,533, and are stated at cost, which approximates market.

Note 3. Grants Receivable

As of June 30, 2014, grants receivable totaled \$280,100, which is a combination of state and federal grants passed through the Orleans Parish School Board. This receivable has been discounted based on management's experience with the collection of grants from the Orleans Parish School Board. However, the stated balance is considered to be fully collectible.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Fixed Assets

Depreciation expense for the year ended June 30, 2014, was \$39,074. Depreciation is calculated using the straight-line method with useful lives of 5 to 10 years.

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

Note 5. Accrued Liabilities

As of June 30, 2014, the School has recorded accrued liabilities of \$34,454, which consists of accrued salaries and payroll liabilities.

Note 6. Designated Net Assets

At June 30, 2014, \$398,938 of unrestricted net assets represents funds raised by the Parent Teacher Organization which are designated to support the operations of the School.

Note 7. Retirement Plans

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana. One employee is a member of the Louisiana State Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to the plans follows.

Teachers' Retirement System of Louisiana (TRSL)

Plan Description: The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Retirement Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL) (Continued)

Funding Policy: Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ended June 30, 2014, the employer contribution rate was 27.20%. The current rate, which was effective June 23, 2014, is 28% of annual eligible covered payroll. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's employer contribution to the plan for the years ended June 30, 2014, 2013, and 2012, was \$684,224, \$604,585, and \$571,802, respectively, which was equal to the required contribution. The School's first year to contribute to the plan was the year ended June 30, 2007.

Louisiana State Employees' Retirement System (LASERS)

Plan Description: The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804, or by calling (225) 922-1131.

Funding Policy: Plan members who joined the plan on or before June 30, 2006, are required to contribute 7.5% of their annual covered salary. Plan members who joined the plan on or after July 1, 2006, are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate for the 2013 - 2014 fiscal year was 31.30%. Member contributions and employer contributions for the LASERS are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's employer contribution to the plan for the years ended June 30, 2014, 2013, and 2012, was \$15,516, \$13,710, and \$11,674, respectively, which was equal to the required contribution.

Note 8. Uncertain Income Taxes

The School's 2010, 2011, and 2012 tax returns were filed appropriately. As of September 5, 2014, the School had not filed their 2013 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 2010 through 2012. 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.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 5, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Lake Forest Elementary Charter School
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 Lake Forest Elementary Charter School (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Lake Forest Elementary Charter School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School's management is responsible for the School's data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *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 that relate to the accompanying schedules of supplemental information are as follows:

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

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

Findings:

None.

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Education Levels of Public School Staff (Schedule 2)

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

Findings:

None.

Number and Type of Public Schools (Schedule 3)

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

Findings:

None.

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

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

Findings:

None.

Public School Staff Data (Schedule 5)

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

Findings:

None.

Class Size Characteristics (Schedule 6)

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

Findings:

None.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

Findings:

None.

Graduation Exit Exam (Schedule 8)

11. Not applicable.

iLEAP Test Results (Schedule 9)

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

Findings:

None.

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

This report is intended solely for the use of management of Lake Forest Elementary Charter School, the Orleans Parish School Board, the Louisiana Department of Education, the Louisiana Legislature and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

A Professional Accounting Corporation

Covington, LA
September 5, 2014

LAKE FOREST ELEMENTARY CHARTER SCHOOL
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2014

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, Assistant Principals and Full Time Classroom Teachers

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

Schedule 5 - Public School Staff Data

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

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33 and 34+ students.

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 - Graduation Exit Exam

Not applicable.

Schedule 9 - iLEAP Test Results

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2014**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,738,022	
Other Instructional Staff Salaries	140,033	
Instructional Staff Employee Benefits	646,501	
Purchased Professional and Technical Services	-	
Instructional Materials and Supplies	147,612	
Instructional Equipment	450	
	<hr/>	
Total Teacher and Student Interaction Activities		\$ 2,672,618
Other Instructional Activities		3,191
Pupil Support Services	204,592	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		204,592
Instructional Staff Services	130,433	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
Net Instructional Staff Services		130,433
School Administration	623,488	
Less: Equipment for School Administration	-	
	<hr/>	
Net School Administration		623,488
		<hr/>
Total General Fund Instructional Expenditures		\$ 3,634,322
		<hr/>
Total General Fund Equipment Expenditures		\$ 450

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	-	
	<hr/>	
Total Local Taxation Revenue		\$ -
Local Earnings on Investment in Real Property		
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
	<hr/>	
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	-	
	<hr/>	
Total State Revenue in Lieu of Taxes		\$ -
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	\$ -	
	<hr/>	
		<hr/>

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

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Education Levels of Public School Staff
 As of October 1, 2013

Schedule 2

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	20	59%	2	100%				
Master's Degree	13	38%			1	50%		
Master's Degree +30	1	3%			1	50%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	34	100%	2	100%	2	100%	0	0%

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2014**

Schedule 3

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

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Experience of Public Principals, Assistant Principals
 and Full Time Classroom Teachers
 As of October 1, 2013**

Schedule 4

	0 - 1 Yr.	2 - 3 Yrs.	4 -10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals and Assistant Principals				2				2
Classroom Teachers	2	2	12	4	5	1	10	36
Total	2	2	12	6	5	1	10	38

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

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Public School Staff Data
 For the Year Ended June 30, 2014

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$50,175	\$49,102
Average Classroom Teachers Salary Excluding Extra Compensation	\$52,415	\$51,287
Number of Teacher Full Time Equivalent (FTEs) Used in Computation of Average Salaries	34.96	30.96

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

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Class Size Characteristics
 As of October 1, 2013

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	75%	21	25%	7				

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2014**

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4																								
Advanced	11	22%	9	19%	19	40%	18	35%	17	35%	21	44%	14	28%	9	19%	19	40%	4	8%	8	17%	17	35%
Mastery	29	56%	23	48%	21	43%	24	47%	21	44%	16	33%	18	35%	26	54%	15	31%	24	47%	25	52%	24	50%
Basic	11	22%	16	33%	8	17%	9	18%	10	21%	11	23%	18	35%	13	27%	13	27%	23	45%	15	31%	7	15%
Approaching Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%	1	2%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	51	100%	48	100%	48	100%	51	100%	48	100%	48	100%	51	100%	48	100%	48	100%	51	100%	48	100%	48	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 8																								
Advanced	12	21%	24	37%	12	32%	17	30%	14	22%	11	28%	5	10%	18	28%	13	34%	15	27%	14	22%	10	26%
Mastery	29	52%	29	45%	20	52%	12	21%	15	23%	6	16%	33	58%	30	45%	16	42%	34	60%	38	58%	17	46%
Basic	15	27%	12	18%	6	16%	27	49%	35	53%	20	54%	18	32%	16	25%	9	24%	7	13%	13	20%	11	28%
Approaching Basic	0	0%	0	0%	0	0%	0	0%	1	2%	1	2%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	56	100%	65	100%	38	100%	56	100%	65	100%	38	100%	56	100%	65	100%	38	100%	56	100%	65	100%	38	101%

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2014**

Schedule 8

The School is an elementary school; therefore, this schedule does not apply.

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
iLEAP Test Results
For the Year Ended June 30, 2014**

Schedule 9

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3																								
Advanced	12	20%	20	47%	12	31%	17	28%	12	28%	20	51%	5	8%	14	33%	8	21%	7	12%	17	40%	6	15%
Mastery	32	53%	17	39%	25	64%	28	47%	25	58%	14	36%	31	52%	20	46%	22	56%	33	55%	21	49%	28	72%
Basic	15	25%	6	14%	2	5%	15	25%	4	9%	5	13%	20	33%	8	19%	9	23%	20	33%	4	9%	5	13%
Approaching Basic	1	2%	0	0%	0	0%	0	0%	2	5%	0	0%	4	7%	1	2%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%
Total	60	100%	43	100%	39	100%	60	100%	43	100%	39	100%	60	100%	43	100%	39	100%	60	100%	43	100%	39	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 5																								
Advanced	7	12%	10	18%	7	11%	11	19%	15	26%	20	31%	14	24%	11	19%	20	31%	21	35%	20	35%	12	18%
Mastery	31	53%	27	46%	32	49%	15	25%	21	37%	16	25%	31	52%	30	53%	32	49%	18	31%	22	38%	25	38%
Basic	19	32%	18	32%	23	35%	32	54%	21	37%	27	41%	13	22%	16	28%	13	20%	19	32%	15	26%	26	41%
Approaching Basic	2	3%	2	4%	3	5%	1	2%	0	0%	2	3%	1	2%	0	0%	0	0%	1	2%	0	0%	2	3%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	59	100%	57	100%	65	100%	59	100%	57	100%	65	100%	59	100%	57	100%	65	100%	59	100%	57	100%	65	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6																								
Advanced	15	25%	10	17%	9	15%	26	43%	24	40%	20	33%	19	32%	11	19%	13	22%	34	56%	39	66%	42	70%
Mastery	31	52%	25	42%	27	45%	13	22%	18	31%	19	32%	28	46%	33	56%	25	42%	19	32%	13	22%	10	17%
Basic	14	23%	24	41%	24	40%	20	33%	16	27%	21	35%	13	22%	15	25%	22	36%	7	12%	8	13%		
Approaching Basic	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	60	100%	59	100%	60	100%	60	100%	59	100%	60	100%	60	100%	59	100%	60	100%	60	100%	59	100%	60	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 7																								
Advanced	26	40%	16	28%	13	17%	23	35%	16	28%	17	22%	19	29%	5	9%	15	20%	37	57%	20	34%	20	26%
Mastery	27	41%	29	50%	33	44%	16	25%	20	34%	29	38%	37	57%	34	58%	44	58%	21	32%	32	56%	38	50%
Basic	11	17%	13	22%	29	38%	25	38%	22	38%	30	40%	8	12%	19	33%	17	22%	7	11%	6	10%	18	24%
Approaching Basic	1	2%	0	0%	1	1%	1	2%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	65	100%	58	100%	76	100%	65	100%	58	100%	76	100%	65	100%	58	100%	76	100%	65	100%	58	100%	76	100%

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

SUPPLEMENTARY INFORMATION

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2014**

<u>Board Members</u>	<u>Compensation</u>
G. Lee Caston 22124 Nolan Road Covington, LA 70435	\$-0-
Gina Dupart 6652 Manchester Road New Orleans, LA 70126	\$-0-
Leila Eames 5420 Eastover Drive South New Orleans, LA 70128	\$-0-
Denise Williams 2342 Prentiss Avenue New Orleans, LA 70122	\$-0-
Donald Pate 516 Beau Chene Drive Mandeville, LA 70471	\$-0-
Windi Brown Smith 5629 Berkley Drive New Orleans, LA 70131	\$-0-
Brian K. Richburg, Sr. 7710 Wave Drive New Orleans, LA 70128	\$-0-

**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**

Independent Auditor's Report

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

We have audited, 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, the financial statements of Lake Forest Elementary School (the School), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompany schedule of findings and questioned costs as item 2014-001.

Lake Forest Elementary Charter School's Response to Finding

Lake Forest Elementary Charter School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purposes of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
September 5, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

Report on Compliance for Major Federal Program

We have audited Lake Forest Elementary Charter School's (the School) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2014. The School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the School's federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program based on our audit of the types of compliance requirements referred to above. 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 the School'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 on compliance for the School's major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion of Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program 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 the School'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
September 5, 2014

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
United States Department of Education (Passed through the Orleans Parish School Board)		
Title I Grants to Local Educational Agencies (Major Program)	84.010	\$ 316,311
Improving Teacher Quality State Grants	84.367	<u>29,220</u>
Total United States Department of Education		345,531
United States Department of Agriculture (Passed through the State of Louisiana)		
National School Lunch Program	10.555	<u>197,687</u>
Total		<u><u>\$ 543,218</u></u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - The schedule is prepared on the accrual basis of accounting.

Note 2 - The following is a reconciliation of the schedule of expenditures of federal awards to the statement of activities:

Federal grants revenue per the statement of activities	\$ 599,613
Less expenditures made in previous years which were recorded as revenue in 2013 - 2014	<u>(56,395)</u>
	<u><u>\$ 543,218</u></u>

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014**

Section I. Summary of Audit Results

Financial Statements

- | | |
|---------------------------------------------------------------------------------|------------|
| 1) Type of auditor's report | Unmodified |
| 2) Internal control over financial reporting and compliance and other matters | |
| a) Material weaknesses identified | None |
| b) Significant deficiencies identified not considered to be material weaknesses | None |
| c) Noncompliance noted | Yes |
| 3) Management letter comment provided | None |

Federal Awards

- | | |
|------------------------------------------------------------------------------------------|------------|
| 4) Internal control over major program | |
| a) Material weaknesses identified | None |
| b) Significant deficiencies identified not considered to be material weaknesses | None |
| 5) Type of auditor's report issued on compliance for major program | Unmodified |
| 6) Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None |
| 7) Identification of major program | |
| 84.010 - Title I Grants to Local Educational Agencies | |
| 8) Dollar threshold used to distinguish between Type A and B programs | \$300,000 |
| 9) Auditee qualified as a low-risk auditee under OMB A-133, Section 530 | Yes |

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

Section II. Internal Control Over Financial Reporting

2014-001 Improper Use of Public Funds

Criteria: Louisiana Constitution Article VII, Section 14 prohibits personal use of School funds.

Condition: On September 13, 2013, the management of the School, during the review and reconciliation of the credit card statement, found that an employee had misused an office supply credit card to purchase gift cards that were used personally. Management identified 9 transactions occurring from July 11, 2013 to September 2, 2013, totaling \$2,180.

Cause: Improper act by an employee of the School.

Effect: Noncompliance with Louisiana Constitution Article VII, Section 14.

Recommendation: None

Management's Response: The School notified the vendor, local law enforcement agencies, the LEA - Orleans Parish School Board and the Louisiana Legislative Auditor. The employee was terminated and has since provided restitution to the School.

Section III. Findings and Questioned Costs Related to Major Federal Award Program

None.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014**

None.