

PRIDE COLLEGE PREP ACADEMY

FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

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Carr, Riggs & Ingram, LLC
3501 North Causeway Boulevard
Suite 810
Metairie, Louisiana 70002

(504) 837-9116
(504) 837-0123 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pride College Prep Academy
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Pride College Prep Academy (a nonprofit organization) ("Pride"), which comprise the Statement of Financial Position in Liquidation as of June 30, 2013, and the related Statement of Activities in Liquidation 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 Pride'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 Pride'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.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets in liquidation of Pride as of June 30, 2013, and the changes in its net assets in liquidation for the year then ended in accordance with accounting principles generally accepted in the United States of America applied on the bases of accounting described in the following paragraph.

Basis of Accounting

As described in Note 1, Pride's policy is to prepare its financial statements on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget 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 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.

Emphasis-of-matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that Pride will not continue as a going concern as of June 30, 2013. As discussed in Note 9 to the financial statements, Pride has terminated operations and began liquidation of all assets. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013, on our consideration of Pride'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 Pride's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, LLC

Metairie, LA
October 4, 2013

PRIDE COLLEGE PREP ACADEMY
STATEMENT OF FINANCIAL POSITION IN LIQUIDATION
June 30, 2013

ASSETS

Current Assets:

Cash and cash equivalents	\$	332,926
Grants receivable		78,310

Total Current Assets		411,236
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Total Assets		\$ 411,236
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	20,548
Accrued expenses		109,429

Total Current Liabilities		129,977
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Net Assets:

Unrestricted		281,259
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Total Net Assets		281,259
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Total Liabilities and Net Assets		\$ 411,236
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See accompanying notes to financial statements.

PRIDE COLLEGE PREP ACADEMY
STATEMENT OF ACTIVITIES IN LIQUIDATION
For the Year Ended June 30, 2013

UNRESTRICTED NET ASSETS

Public Support Revenues and Other Support

Local per pupil aid	\$ 1,491,544
Federal sources	914,648
State public school funds	<u>1,062,470</u>

Total Public Support and Other Revenues	<u>3,468,662</u>
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Expenses

Program services:	
Instructional	1,857,278
Supporting services:	
Management and general	<u>1,777,983</u>

Total Expenses	<u>3,635,261</u>
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Decrease in Unrestricted Net Assets	(166,599)
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Net Assets at Beginning of Fiscal Year	<u>447,858</u>
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Net Assets at End of Fiscal Year	<u><u>\$ 281,259</u></u>
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See accompanying notes to financial statements.

PRIDE COLLEGE PREP ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Pride College Prep Academy (a nonprofit organization) (“Pride”) was incorporated in the fall of 2008 for the purpose of operating a charter school in New Orleans, Louisiana. Pride was created to offer overexposure to basic skills in an extended day, year-round program with the latest in enrichment strategies derived from brain research. Pride’s mission is to provide each of its students the ability and desire to excel in college. The State Board of Elementary and Secondary Education (“BESE”) granted Pride a Type 5 charter to operate Pride College Prep Academy. In December 2012, BESE voted to revoke Pride’s charter and therefore cease operations at June 30, 2013.

Basis of Accounting

Effective June 30, 2013, BESE decided to liquidate Pride and, accordingly, revalued its assets and liabilities to the amounts expected to be collected and paid during the liquidation. The effect of the revaluation is included in the Statement of Activities in Liquidation in management and general expenses. It is not presently determinable whether the amounts realizable from the disposition of the remaining assets or the amounts that creditors will agree to accept in settlement of the obligations due them will differ materially from the amounts shown in the accompanying financial statements. Differences between the revalued amounts and actual cash transactions will be recognized in the year they can be estimated.

Income Tax Status

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

Estimates

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

Basis of Presentation

Pride follows the provisions of *Not-For-Profit Entities* Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate classes of net assets, as follows:

PRIDE COLLEGE PREP ACADEMY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Subsequent Events

Subsequent events have been evaluated through October 4, 2013, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Pride maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ending June 30, 2013. At times, the balance may exceed the federally insured amount.

NOTE 3 - RETIREMENT PLANS

Substantially all full time employees may be a member of the Pride 401(k) retirement plan. Covered employees may elect to contribute a portion of their salaries to the plan. Pride made additional contributions totaling \$44,151 to the plan for the year ended June 30, 2013.

NOTE 4 - COMPENSATED ABSENCES

Pride full-time employees, including school support center staff, may earn up to eight (8) days paid time off (PTO) days each year. Two (2) PTO days are provided to employees immediately after they start work, and thereafter employees accrue four (4) hours of PTO every payroll period. PTO hours must be earned before use. These days are to be used in case of illness, to handle personal affairs, or for any other personal reason an employee needs a day off. If an employee starts after the beginning of the school year, personal leave/sick days are pro-rated. Full-time employees that work through the completion of the school year are eligible to receive stipends for unused PTO days at \$50 per unused PTO day. In addition, employees are eligible to receive an end-of-year attendance bonus of \$250 if they miss 2 days or fewer of work. Full time employees who depart prior to completion of the full school year automatically forfeit and will

PRIDE COLLEGE PREP ACADEMY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2013

NOTE 4 - COMPENSATED ABSENCES (CONTINUED)

not be reimbursed for any unused PTO days. As of June 30, 2013, all compensated absences have been paid in full.

NOTE 5 - LEASE AGREEMENT

For the period of August 1, 2012 through August 1, 2013, Pride had a rent-free lease agreement to occupy Mildred Osborne School with the RSD. Pride was responsible for the payment of shared services with the RSD such as utilities, janitorial and sanitation, disposal services, nursing services and property taxes at a pro-rata calculation based upon student enrollment at the school. Upon revocation of Pride's charter (See Note 9), this lease terminated August 1, 2013.

NOTE 6 – OPERATING LEASE AGREEMENT

Pride entered into three (3) operating leases for the rental of two (2) copiers and one (1) three-hole punch unit. Two (2) leases are for thirty-six (36) months while one (1) is for thirty-three (33) months. Rental payments under these leases were \$6,134 for the year ended June 30, 2013. There are no future minimum commitments under all operating lease agreements.

NOTE 7 – SIGNIFICANT CONCENTRATIONS

For the year ended June 30, 2013, Pride received 26% of its total revenue from federal sources; 31%, of its total revenue from state public school funds; and 43%, of its total revenue from local public school funds.

NOTE 8 – UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require Pride's management to evaluate tax positions taken by Pride and recognize a tax liability if Pride has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Pride's management has analyzed the tax positions taken by Pride, and has concluded that as of June 30, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Pride is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Pride's management believes it is no longer subject to income tax examinations for years prior to 2009.

PRIDE COLLEGE PREP ACADEMY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2013

NOTE 9 – TERMINATION OF OPERATIONS

On December 4, 2012, the Recovery School District revoked the charter of Pride resulting in the school closing and ceasing operations at the end of the fiscal year ended June 30, 2013. As a result of Pride ceasing operations as of June 30, 2013, Pride adopted the liquidation basis of accounting. Any remaining assets and liabilities of Pride that are not from a public funding source will be disbursed at the discretion of the Board of Directors of Pride.

As a result of discontinuing its operations, Pride incurred additional liabilities and expenses related to closing. Total expenses in the Management and General Expenses on the Statement of Activities in Liquidation related to the closure of Pride are estimated to be approximately \$50,000 for the year ended June 30, 2013. All such expenses were liabilities at year end and included in accrued expenses in the Statement of Financial Position in Liquidation.

PERFORMANCE STATISTICAL DATA

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Pride College Prep Academy
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 Pride College Prep Academy (a nonprofit organization) (“Pride”) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management’s assertions about the performance and statistical data accompanying the annual financial statements of Pride 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. Pride is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule K-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, and
 - Nonpublic Transportation Revenue.

Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
(Schedule K-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 K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2012.
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 K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2012 and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule K-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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application).

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

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined that the individual’s experience was properly classified on the schedule.

Public School Staff Data (Schedule K-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 equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined that 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 in the schedule.

Class Size Characteristics (Schedule K-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 K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined that the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule K-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 the School System.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

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

We noted the following exceptions as a result of applying the above procedures:

Public School Staff Data (Schedule K-5)

Finding:

We noted four (4) instances where the employee's salary did not agree to the PEP report at June 30, 2013.

Corrective Action Plan:

Pride concurs with the finding noted. Due to the closure of Pride, no further action is required.

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 information and use of management of Pride, the Board of Directors, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, LLC

Metairie, Louisiana
October 4, 2013

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-1

**General Fund Instructional and Support Expenditures
Certain Local Revenue Sources
For the Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 724,813	
Other Instructional Staff Activities	120,448	
Instructional Staff Employee Benefits	202,667	
Purchased Professional and Technical Services	70,314	
Instructional Materials and Supplies	121,648	
Less: Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 1,239,890
Other Instructional Activities		
		-
Pupil Support Activities	181,588	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	181,588
Instructional Staff Services	79,385	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	79,385
School Administration	413,088	
Less: Equipment for School Administration	-	
Net School Administration	-	413,088
Total General Fund Expenditures		1,913,951
Total General Fund Equipment Expenditures		\$ -

Certain Local Revenue Sources:

This section is not applicable.

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-2

**Education Level of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2012**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	14.0	100%	7.0	88%	-	-	-	-
Master's Degree	-	-	1.0	12%	-	-	1.0	100%
Master's Degree +30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	14.0	100%	8.0	100%	-	0%	1.0	100%

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-3

**Number and Type of Public Schools
For the Year Ended June 30, 2013**

Type	2013
	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-4

**Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2012**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	1.0	-	-	-	-	1.0
Classroom Teachers	20.0	1.0	1.0	-	-	-	-	22.0
Total	20.0	1.0	2.0	-	-	-	-	23.0

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-5

**Public School Staff Data
For the Year Ended June 30, 2013**

2013	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$44,592	\$44,592
Average Classroom Teacher's Salary Excluding Extra Compensation	\$44,592	\$44,592
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	22	22

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 because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-6

Class Size Characteristics

As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	23%	18	46%	36	31%	24	-	-
Elementary Activity Classes	23%	3	46%	3	31%	4	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-7

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2013**

Note: Pride College Prep Academy has never had an 8th grade. 2012 was Pride's first year to have a 4th grade.

District Achievement Level Results	English						Math					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	-	0%	1	2%	-	0%	1	2%	1	2%	-	0%
Mastery	3	6%	5	10%	-	0%	4	8%	1	2%	-	0%
Basic	24	46%	14	29%	-	0%	27	52%	20	43%	-	0%
Approaching Basic	17	32%	13	28%	-	0%	11	21%	10	22%	-	0%
Unsatisfactory	8	16%	15	31%	-	0%	9	17%	14	31%	-	0%
Total	52	100%	48	100%	0	0%	52	100%	46	100%	0	0%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Mastery	-	0%	4	8%	-	0%	1	3%	2	4%	-	0%
Basic	11	23%	11	23%	-	0%	16	31%	19	40%	-	0%
Approaching Basic	29	48%	23	48%	-	0%	19	35%	7	15%	-	0%
Unsatisfactory	12	21%	10	21%	-	0%	16	31%	20	41%	-	0%
Total	52	92%	48	100%	0	0%	52	100%	48	100%	0	0%

**PRIDE COLLEGE PREP ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-9

**Integrated Louisiana Educational Assessment Program (iLEAP)
For the Year Ended June 30, 2013**

Note: Pride College Prep Academy has never had a 5th, 6th, 7th or 9th grade. 2013 was Pride's first year to have a 5th grade.

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	2%	-	0%	-	0%	-	0%
Mastery	4	9%	1	2%	1	2%	2	4%
Basic	18	40%	22	49%	12	27%	17	38%
Approaching Basic	15	33%	10	22%	25	56%	17	38%
Unsatisfactory	7	16%	12	27%	7	15%	9	20%
Total	45	100%	45	100%	45	100%	45	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	2	5%	4	10%	2	5%	2	4%
Basic	15	36%	14	33%	14	33%	15	36%
Approaching Basic	16	38%	16	38%	16	38%	15	36%
Unsatisfactory	9	21%	8	19%	10	24%	10	24%
Total	42	100%	42	100%	42	100%	42	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	-	0%	1	2%	-	0%	-	0%
Mastery	5	11%	4	9%	1	2%	2	4%
Basic	16	34%	26	55%	16	34%	14	30%
Approaching Basic	14	30%	11	23%	18	38%	13	28%
Unsatisfactory	12	25%	5	11%	12	26%	18	38%
Total	47	100%	47	100%	47	100%	47	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	2	5%	4	11%	1	3%	1	3%
Basic	23	61%	27	71%	9	24%	12	32%
Approaching Basic	9	24%	2	5%	26	68%	8	21%
Unsatisfactory	4	10%	5	13%	2	5%	17	44%
Total	38	100%	38	100%	38	100%	38	100%

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

Board of Directors
Pride College Prep Academy
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pride College Prep Academy (a nonprofit organization) (“Pride”), which comprise the Statement of Financial Position on the Liquidation Basis as of June 30, 2013, and the related Statement of Activities on the Liquidation Basis for the period then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pride's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pride's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

Metairie, Louisiana
October 4, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Pride College Prep Academy
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Pride College Prep Academy's (a nonprofit organization) ("Pride") 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 each of Pride's major federal programs for the year ended June 30, 2013. Pride's major federal programs are 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 its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pride's major federal programs 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 Pride'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 each major federal program. However, our audit does not provide a legal determination of Pride's compliance.

Opinion on Each Major Federal Program

In our opinion, Pride complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Pride 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 Pride's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Pride'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.

Carr, Riggs & Ingram, LLC

Metairie, Louisiana
October 4, 2013

PRIDE COLLEGE PREP ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>		
Passed-through LA Dept. of Education		
Title I Grants to Local Educational Agencies	84.010	\$ 218,832
Improving Teacher Quality State Grants	84.367	8,869
School Improvement Grants, Recovery Act	84.388	274,803
IDEA - Part B - Special Education	84.027	71,327
Teacher Incentive Fund	84.374	<u>101,749</u>
Total U.S. Department of Education		<u>675,580</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Education:		
School Breakfast Program		
Free and Reduced Price Meals *	10.553	<u>239,068</u>
Total U.S. Department of Agriculture		<u>239,068</u>
Total Federal Assistance		<u><u>\$ 914,648</u></u>

* Identified as a major program

See accompanying notes to the Schedule of Expenditures of Federal Awards.

PRIDE COLLEGE PREP ACADEMY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

NOTE 1 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pride College Prep Academy and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**PRIDE COLLEGE PREP ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013**

A. SUMMARY OF AUDITOR’S RESULTS

- The auditor’s report expresses an unqualified opinion on the financial statements of Pride College Prep Academy (a nonprofit organization).
- No significant deficiencies relating to the audit were noted in the *Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of Pride College Prep Academy (a nonprofit organization) were disclosed and identified during the audit.
- No significant deficiencies relating to the audit of the major federal award programs is reported in the *Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over compliance Required by OMB Circular A-133*.
- The *Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133* expresses an unqualified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- A management letter was not issued for the year ended June 30, 2013.
- The program tested as a major program for the year ended June 30, 2013 were:

<u>Program Title</u>	<u>CFDA No.</u>
School Breakfast Program	10.553

- The threshold for distinguishing between Type A and Type B programs was \$300,000.
- Pride College Prep Academy (a nonprofit organization) qualified as a low-risk auditee.

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to the financial statements for the year ended June 30, 2013.

PRIDE COLLEGE PREP ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
For the Year Ended June 30, 2013

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS COMPLIANCE

Not applicable

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

Not applicable

SECTION III – MANAGEMENT LETTER

Not applicable.