

**NEW SCHOOLS FOR BATON ROUGE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Schools for Baton Rouge  
Baton Rouge, Louisiana

### Report on the Financial Statements

We have audited the accompanying statement of financial position of New Schools for Baton Rouge (a non-profit organization), as of September 30, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Schools for Baton Rouge as of September 30, 2014, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

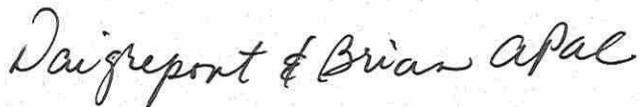
## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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* and the Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer, are presented for purposes of additional analysis and are 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2015 on our consideration of New Schools for Baton Rouge's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Daigrepoint & Brian, APAC

January 13, 2015

**NEW SCHOOLS FOR BATON ROUGE  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2014**

**ASSETS**

Current Assets	
Cash	\$ 2,388,893
Promises to give	2,262,002
Total Current Assets	<u>4,650,895</u>
Property and Equipment	
Furniture and fixtures	64,428
Equipment	9,668
Leasehold improvements	85,061
	<u>159,157</u>
Accumulated depreciation	(20,699)
Total Property and Equipment	<u>138,458</u>
Total Assets	<u><u>\$ 4,789,353</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts payable	\$ 21,097
Accrued liabilities	18,861
Total Current Liabilities	<u>39,958</u>
Net Assets	
Unrestricted net assets	3,119,826
Temporarily restricted net assets	1,629,569
Total Net Assets	<u>4,749,395</u>
Total Liabilities and Net Assets	<u><u>\$ 4,789,353</u></u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Foundation grants	\$ 923,371	\$ 565,017	\$ 1,488,388
Federal grants	-	630,000	630,000
State grants	-	64,682	64,682
Corporate and individual contributions	585,050	16,000	601,050
Interest income	335	-	335
Other income	10,600	-	10,600
Net assets released from restriction	<u>1,462,957</u>	<u>(1,462,957)</u>	<u>-</u>
Total Revenues	<u>2,982,313</u>	<u>(187,258)</u>	<u>2,795,055</u>
<b>EXPENSES</b>			
Program services	1,787,534	-	1,787,534
Management and general	126,181	-	126,181
Fundraising	<u>43,434</u>	<u>-</u>	<u>43,434</u>
Total Expenses	1,957,149	-	1,957,149
CHANGE IN NET ASSETS	1,025,164	(187,258)	837,906
Net assets - beginning of year	<u>2,094,662</u>	<u>1,816,827</u>	<u>3,911,489</u>
Net assets - end of year	<u>\$ 3,119,826</u>	<u>\$ 1,629,569</u>	<u>\$ 4,749,395</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
STATEMENT OF FUNCTIONAL EXPENSE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Program Services	Management & General	Fundraising	Total
Accounting	\$ -	\$ 41,295	\$ -	\$ 41,295
Conferences	8,147	-	-	8,147
Depreciation	-	16,471	-	16,471
Employee Benefits	44,146	5,156	1,702	51,004
Insurance	-	9,265	-	9,265
Meals and entertainment	2,273	1,464	-	3,737
Office expenses	-	12,223	-	12,223
Payroll taxes	28,413	312	2,498	31,223
Professional fees	22,630	1,191	-	23,821
Rent	-	27,096	-	27,096
Salaries and wages	518,275	4,904	39,234	562,413
School strategy	1,163,650	-	-	1,163,650
Utilities	-	6,804	-	6,804
	<u>\$ 1,787,534</u>	<u>\$ 126,181</u>	<u>\$ 43,434</u>	<u>\$ 1,957,149</u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 837,906
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>	
Depreciation	16,471
Increase in promises to give	(268,906)
Decrease in accounts payable	(86,266)
Decrease in accrued liabilities	(2,063)
Total adjustments	<u>(340,764)</u>
Net cash provided by operating activities	<u>497,142</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(2,316)</u>
Net cash used by investing activities	<u>(2,316)</u>

INCREASE IN CASH	494,826
CASH, BEGINNING OF YEAR	<u>1,894,067</u>
CASH, END OF YEAR	<u><u>\$ 2,388,893</u></u>

See accompanying notes and independent auditors' report.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

1. Summary of Significant Accounting Policies

Organization

New Schools for Baton Rouge (NSBR) began operating in 2012 and is a non-profit organization located in Baton Rouge, LA. The purpose of NSBR is to serve as a community partner, bringing together talent and resources to deliver excellent schools to students and families in Baton Rouge. This is done through attracting high performing schools with strong track records of success, expanding organizations that produce exceptional teachers and principals, and supporting an ecosystem of reform oriented organizations needed for schools to succeed.

Basis of Accounting

The financial statements of the New Schools for Baton Rouge have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Revenues

New Schools for Baton Rouge receives substantially all of its revenue from grants and contributions from foundations, corporations, individuals, as well as, federal and state agencies. Grants and contributions made to the Organization are considered available for unrestricted use unless specifically restricted by the

Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets*

Unrestricted net assets are for general use with no restrictions.

*Temporarily Restricted Net Assets*

Temporarily restricted net assets can be expended currently, but only for a specified purpose designated by the grantor.

*Permanently Restricted Net Assets*

Net assets permanently restricted for future use by the grantor or the board of directors. There are no permanently restricted net assets as of September 30, 2014.

Cash

Cash consists of bank deposits held with financial institutions.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

1. Summary of Significant Accounting Policies (continued)

Promises to Give

Promises to give consist of the net present value of written commitments to NSBR for future years. Management has determined that there were no balances recorded that were uncollectible as of September 30, 2014.

Functional Expenses

NSBR allocates its expenses on a functional basis among between program, fundraising, or management and general. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification.

Use of Estimates

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

Income Taxes

NSBR accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

NSBR is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is no longer subject to federal information return examinations by tax authorities for years before 2011 which is the first year of filing an information return.

Subsequent Events

The Organization has evaluated subsequent events through January 13, 2015, the date the financial statements were available to be issued, for recording and disclosure.

2. Concentrations

Financial instruments, which potentially subject NSBR to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Amounts in excess of insured limits at September 30, 2014 were approximately \$2,183,893. NSBR does not believe that it is exposed to any significant credit risk on uninsured amounts.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

2. Concentrations (continued)

NSBR receives substantially all of its operating revenue from grants and contributions from foundations, corporations, individuals, as well as, federal and state agencies. Concentration of revenue and promises to give from these sources for the years ended September 30, 2014 are as follows:

	Revenue	Promises to give
Donor 1	48%	39%
Donor 2	12%	10%
Donor 3	N/A	17%
Race to the Top	23%	N/A

3. Leases

In August 2012 NSBR began making lease payments to Louisiana State University (LSU) for office space at the Shaw Center for the Arts. The monthly lease payments are \$2,258 and are due on the 1st day of each month. Total lease payments for the period ended September 30, 2014 were \$27,096. The original lease agreement was set to terminate on July 31, 2014 but has been extended and now expires on July 31, 2015. Future minimum lease payments under this lease are \$22,580.

4. Property and Equipment

Property and equipment is presented in the financial statements on the basis of cost less allowances for depreciation. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of the assets, which is generally three to five years.

Additions or betterments that extend the useful life of assets are capitalized as property and equipment. General maintenance and repair expenditures that do not extend the useful life are expensed as incurred.

5. Compensated Absences

All regular full-time employees earn 15 days of personal time, which includes vacation and sick leave, annually. A maximum of 20 days (160 hours) of personal time may be carried over to the following year. At September 30, 2014, \$15,677 has been accrued for compensated absences.

6. Retirement Plan

NSBR offers a 401(k) retirement plan for all full-time eligible employees. Enrollment is available immediately upon employment. For those that are eligible NSBR will match 100% up to 5% of the

For the nine month period ended September 30, 2014 the amount paid related to the NSBR's retirement plan was \$24,227.

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

7. Promises to Give

NSBR receives promises to give from foundations, corporations, and individuals for the purpose of providing support for schools and to cover a portion of operating costs. Promises to give are recognized at their net present value in the statement of financial position using a discount rate of 5%.

Promises to give at September 30, 2014 consist of the following:

Foundations	\$ 2,125,000
Corporations	<u>330,000</u>
	\$ 2,455,000
Less: Unamortized discount	<u>(192,998)</u>
Net promises to give	<u><u>\$ 2,262,002</u></u>

Amounts due in:

Less than one year	\$ 1,480,000
One to five years	<u>975,000</u>
	<u><u>\$ 2,455,000</u></u>

8. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$1,629,569 are to be used to provide the start up capital necessary to expand and launch excellent schools and organizations. It is used to offset the one-time startup costs required to transform underperforming schools to high-performing ones. Funds to support this initiative come from the support of local and national philanthropists, corporations, and foundations.

9. School Strategy

School strategy expense primarily consists of education related expenditures that further NSBR's mission. The charges in this account are as follows:

Educational grants to others	\$ 352,500
Federal pass-through grants	630,000
State pass-through grants	64,682
Recruitment and diligence	109,263
Miscellaneous	<u>7,205</u>
	<u><u>\$ 1,163,650</u></u>

**NEW SCHOOLS FOR BATON ROUGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal Grantor/Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditure</u>
U.S. Department of Education pass through programs from:			
Louisiana Department of Education			
Louisiana Believe and Succeed - Race to the Top	84.413	28-12-BF-NB	<u>\$ 630,000</u>
Total U.S. Department of Education pass-through programs			<u>630,000</u>
Total expenditures of federal awards			<u><u>\$ 630,000</u></u>

**NEW SCHOOLS FOR BATON ROUGE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of New Schools for Baton Rouge (NSBR) under programs of the federal government for the year ended September 30, 2014. 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*. Because the Schedule presents only a selected portion of the operations of NSBR, it is not intended to and does not present the financial position, changes in net assets, or cash flows of NSBR.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NEW SCHOOLS FOR BATON ROUGE  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**Chief Executive Officer:** Christopher Meyer

Salary	\$ 213,500
Benefits - Insurance	4,649
Benefits - Retirement	10,675
	<u>\$ 228,824</u>

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

To the Board of Directors  
New Schools for Baton Rouge  
Baton Rouge, 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 New Schools for Baton Rouge, (a non-profit organization) which comprise the statement of financial position as of September 30, 2014 and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 13, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered New Schools for Baton Rouge'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 New Schools for Baton Rouge's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization'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 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 the internal control that might be significant deficiencies or material weaknesses. 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 New Schools for Baton Rouge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 organization'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 organization'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 Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepoint & Brian, APAC

January 13, 2015

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

To the Board of Directors  
New Schools for Baton Rouge  
Baton Rouge, Louisiana

### **Report on Compliance for Each Major Federal Program**

We have audited New Schools for Baton Rouge's (a non-profit organization) 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 New School for Baton Rouge's major federal programs for the year ended September 30, 2014. New Schools for Baton Rouge's major federal programs are identified in the summary of auditors' 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 New Schools for Baton Rouge'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 New Schools for Baton Rouge'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 on New Schools for Baton Rouge's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion New Schools for Baton Rouge 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 years ended September 30, 2014.

### **Report on Internal Control Over Compliance**

Management of New Schools for Baton Rouge 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 New Schools for Baton Rouge'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 our 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 the New Schools for Baton Rouge'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.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepoint & Brian, APAC

January 13, 2015

**NEW SCHOOLS FOR BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

We have audited the financial statements of New Schools for Baton Rouge, as of September 30, 2014, and for the year then ended, and have issued our report thereon dated January 13, 2015. 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 and the provisions of OMB Circular A-133. Our audit of the financial statements as of September 30, 2014 resulted in an unmodified opinion.

**Summary of Auditors' Reports**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control			
Material Weaknesses	Yes	_____	No <u>  X  </u>
Significant Deficiencies	Yes	_____	No <u>  X  </u>
Compliance			
Compliance Material to Financial Statements	Yes	_____	No <u>  X  </u>

**B. Federal Awards**

Internal Control			
Material Weaknesses	Yes	_____	No <u>  X  </u>
Significant Deficiencies	Yes	_____	No <u>  X  </u>
Type of Opinion on Compliance for Major Programs			<u>Unmodified</u>
Are there findings required to be reported in accordance with Circular A-133, Section 510(a)	Yes	_____	No <u>  X  </u>
Was there a management letter issued	Yes	_____	No <u>  X  </u>

**C. Identification of Major Programs**

CFDA Number(s)	Name of Federal Program or Cluster
84.413	Louisiana Believe and Succeed - Race to the Top
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 300,000</u>
Is the auditee a 'low risk' auditee as defined by OMB Circular A-133	Yes _____ No <u>  X  </u>

**Findings - Financial Statement Audit**

There are no findings for the year ended September 30, 2014

**Questioned Costs**

There are no questioned costs for the year ended September 30, 2014