

**MADISON-TALLULAH EDUCATION CENTER
d/b/a TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2014**



**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

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Independent Auditor's Report

To the CEO and Members of the Board
Tallulah Charter School
Tallulah, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Tallulah Charter School (the School) (a nonprofit organization), 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 opinions 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Tallulah Charter School, as of June 30, 2014, and the changes in 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 opinions on the financial statements as a whole. The 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 or purposes of additional analysis and is not required part of 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Performance and Statistical Data, included as Schedules 1 through 9, is not a required part of the basic financial statements, but is supplementary information required by Louisiana State Law. 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. 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 December 31, 2014, on our consideration of Tallulah Charter 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 Tallulah Charter School's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
December 31, 2014

Financial Statements

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014

ASSETS	
Current Assets	
Cash in Bank	\$ 1,147,875
Intergovernmental Accounts Receivable	205,292
Total Current Assets	<u>1,353,167</u>
Property, plant, and equipment	409,434
TOTAL ASSETS	<u>1,762,601</u>
LIABILITIES	
Current liabilities	
Accounts Payable	82,221
Loans Payable	3,848
Accrued Salaries and Benefits	251,996
Payroll Deductions and Withholdings	25,656
Deferred Revenues	3,552
Total Current liabilities	<u>367,273</u>
TOTAL LIABILITIES	<u>367,273</u>
NET ASSETS	
Unrestricted	<u><u>\$ 1,395,328</u></u>

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

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

SUPPORT AND REVENUE

Revenue from Local Sources:	
Food Service	\$ 1,955
Community Service Activities	18,421
Other Revenues from Local Sources	1,303,040
Revenue from state sources:	
Unrestricted Grants-In-Aid	1,860,877
Restricted Grants-In-Aid	16,465
Revenue from federal sources:	
Restricted Grants-In-Aid Direct From the Federal Government	166,825
Restrict Grants-In-Aid from the Federal Government Through State	569,209
Total Support and Revenue	<u>3,936,792</u>

EXPENSES

Program Expenses:	
Instruction:	
Regular Programs	993,710
Special Education Programs	71,257
Other Instructional Programs	235,219
Special Programs	171,782
Support Services:	
Pupil Support Services	55,342
Instructional Staff Services	13,062
Operations and Maintenance of Plant Services	260,558
Student Transportation Services	134,634
Operation of Non-Instructional Services	230,789
Management and General Expenses:	
General Administration	29,489
School Administration	241,195
Facilities Acquisition and Construction Services	13,890
Total Expenses	<u>2,450,927</u>

INCREASE (DECREASE) IN NET ASSETS	1,485,865
Net Assets at Beginning of Year	(90,537)
Net Assets at End of Year	<u>\$ 1,395,328</u>

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

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

Cash flows from operating activities

Change in net assets	<u>\$ 1,485,865</u>
Adjustments to reconcile the change in net assets to net cash provided by (used by) operating activities:	
Depreciation	26,300
(Increase) decrease in intergovernmental accounts receivable	(205,292)
Increase (decrease) in accounts payable	82,221
Increase (decrease) in accrued salaries and related benefits	251,996
Increase (decrease) in payroll deductions and withholdings	25,656
Increase (decrease) in deferred revenues	451
Total Adjustments	<u>181,332</u>
Net cash provided by (used in) operating activities	<u>1,667,197</u>

Cash flows from investing activities

Capital expenditures	(435,734)
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Cash flows from financing activities

Principal payments on short-term debt	<u>(13,236)</u>
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Net increase (decrease) in cash and cash equivalents	1,218,227
Cash and cash equivalents at beginning of year	<u>(70,352)</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,147,875</u></u>

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

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison-Tallulah Education Center (the Organization) was created as a non-profit corporation under the laws of the State of Louisiana in 2004. The Organization entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education (BESE) beginning July 1, 2013, whereby the School would operate Tallulah Charter School (the School) as a Type 2 charter school as defined in Louisiana R.S. 17:3971, et. seq. The School serves eligible students in kindergarten through fourth grade, primarily in the parish of Madison. As the Organization is doing business as Tallulah Charter School, the Organization is hereafter referred to as “the School”.

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 Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year. 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, which 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.

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets and Depreciation (Continued)

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

<u>Category</u>	<u>Years Useful Life</u>
Site Improvements	30
Buildings	30
Portable School Building	5
Furniture and Equipment	5-7
Computer Equipment	3
Buses	5-10
Software	5

At June 30, 2014, the School has only site improvements, furniture and equipment, computer equipment, and software. Buildings and buses are currently under operating leases.

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. 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.

Compensated Absences

All contracted employees of the School earn five days of annual leave per calendar year. Annual leave cannot be accumulated.

All contracted employees of the School earn a total of 10 days of sick pay per year, provided, however, that the employee is contracted for a full year. Sick leave may be accumulated from year to year, not to exceed 90 days. Employees are not paid for unused sick pay upon retirement or death.

Based on these policies, the financial statements do not include an accrual for compensated absences.

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations

The School receives more than 65% of its revenues, from the State of Louisiana, subject to its charter agreement with the State.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The School periodically maintains cash in one financial institution located in northern Louisiana 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.

NOTE 2 - CASH AND CASH EQUIVALENTS

The School's cash and cash equivalents (book balances) at June 30, 2014 of \$1,147,875 are stated at cost which approximates market.

NOTE 3 - GRANTS RECEIVABLE

As of June 30, 2014, grants receivable consisted of amounts due from the following sources:

Title I	\$ 42,993
Title II	9,320
IDEA B	4,478
21st Century	124,338
Charter Planning	9,915
Summer Feeding Program	14,248
Total	<u>\$ 205,292</u>

All amounts listed above are considered fully collectible.

NOTE 4 – PROPERTY, PLANT, AND EQUIPMENT

The following is a breakdown of property, plant, and equipment at June 30, 2014:

Site Improvements	\$ 356,253
Equipment	79,481
Total Property, Plant, and Equipment	<u>435,734</u>
Accumulated Depreciation	(26,300)
Total Property, Plant, and Equipment, net	<u>\$ 409,434</u>

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 – PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

The 22 acres of land being utilized by the School is leased for a nominal amount. The School also leases the current modular buildings and buses under operating leases with vendors. Site improvements include the cost of preparing the site for the buildings and the costs of driveways. Depreciation expense for the year ended June 30, 2014, was \$26,300. 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 - RETIREMENT PLAN

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana. The system is a cost-sharing, multiple-employer defined benefit pension plan administered by a board of trustees. Pertinent information relative to the plan follows.

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, Louisiana 70804-9123.

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. The current rate, which was effective July 1, 2014, is 27.2% of annual eligible covered payroll. The employer contribution rates for the years ended June 30, 2013, 2012 and 2011, were 24.50%, 23.70% and 20.20%, respectively. 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 contributions to the plan for the year ended June 30, 2014 was \$108,292, which was equal to the required contribution.

NOTE 6 - UNCERTAIN INCOME TAXES

The nonprofit organization's 2010, 2011 and 2012 tax returns were filed appropriately. As of December 31, 2014, the School had not filed its 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.

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7 - LEASES

The School has entered into various operating lease agreements for buildings and buses. Future expense under these agreements is currently estimated as follows:

Year			
Ending	Buildings	Buses	Total
2015	\$ 106,657	\$ 65,500	\$ 172,157
2016	106,657	65,500	172,157
2017	-	65,500	65,500
2018	-	65,500	65,500
Total	<u>\$ 213,314</u>	<u>\$ 262,000</u>	<u>\$ 475,314</u>

Rent expense for the year ended June 30, 2014 was \$136,196.

NOTE 8 – RELATED PARTY TRANSACTIONS

As of June 30, 2014, the School owed the CEO \$3,848 for loans she made to the school while it was applying for grant funds.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 31, 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.

Supplementary Information

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013**

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; 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. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores 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.

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW (CONTINUED)
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013**

Schedule 8 - Graduation Exit Exam

This schedule is no longer required.

Schedule 9 - iLEAP Test Results

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7. 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.

MADISON-TALLULAH EDUCATION CENTER

Tallulah, Louisiana

Education Levels of Public School Staff**As of October 1, 2013**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0	0	0	0	0	0	0
Bachelor's Degree	4	27	7	47	0	0	0	0
Master's Degree	2	13	0	0	0	0	0	0
Master's Degree + 30	2	13	0	0	0	0	0	0
Specialist in Education	0	0	0	0	1	100	0	0
Ph. D. or Ed. D.	0	0	0	0	0	0	0	0
Total	8	53	7	47	1	100	0	0

MADISON-TALLULAH EDUCATION CENTER
Tallulah, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	Number
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
Total	1

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

MADISON-TALLULAH EDUCATION CENTER
Tallulah, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2014

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals								0
Principals				1				1
Classroom Teachers	1	3	2	2	1	2	4	15
Total	1	3	2	3	1	2	4	16

MADISON-TALLULAH EDUCATION CENTER

Tallulah, Louisiana

Public School Staff Data: Average Salaries**For the Year Ended June 30, 2014**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$ 36,648.81	\$ 36,648.81
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 36,106.28	\$ 36,106.28
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	15	15

MADISON-TALLULAH EDUCATION CENTER
Tallulah, Louisiana

Class Size Characteristics
As of October 1, 2014

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0	0	60	12	25	5	15	3
Elementary Activity Classes	0	0	0	0	0	0	0	0
Middle/Jr. High	0	0	0	0	0	0	0	0
Middle/Jr. High Activity Classes	0	0	0	0	0	0	0	0
High	0	0	0	0	0	0	0	0
High Activity Classes	0	0	0	0	0	0	0	0
Combination	0	0	0	0	0	0	0	0
Combination Activity Classes	0	0	0	0	0	0	0	0

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.

MADISON-TALLULAH EDUCATION CENTER
Tallulah, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced		≤1	0	0	0	0	5	11	0	0	0	0
Mastery	9	19	0	0	0	0	3	6	0	0	0	0
Basic	11	23	0	0	0	0	9	19	0	0	0	0
Approaching Basic	8	17	0	0	0	0	6	13	0	0	0	0
Unsatisfactory	19	40	0	0	0	0	24	51	0	0	0	0
Total	47	99	0	0	0	0	47	100	0	0	0	0

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced		≤1	0	0	0	0	≤1	0	0	0	0	0
Mastery	2	4	0	0	0	0	1	2	0	0	0	0
Basic	17	36	0	0	0	0	17	36	0	0	0	0
Approaching Basic	11	23	0	0	0	0	10	21	0	0	0	0
Unsatisfactory	17	36	0	0	0	0	19	40	0	0	0	0
Total	47	99	0	0	0	0	47	99	0	0	0	0

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	0	0	0	0	0	0	0	0	0	0	0	0
Basic	0	0	0	0	0	0	0	0	0	0	0	0
Approaching Basic	0	0	0	0	0	0	0	0	0	0	0	0
Unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	0	0	0	0	0	0	0	0	0	0	0	0
Basic	0	0	0	0	0	0	0	0	0	0	0	0
Approaching Basic	0	0	0	0	0	0	0	0	0	0	0	0
Unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0

MADISON-TALLULAH EDUCATION CENTER
Tallulah, Louisiana

iLEAP Tests
For the Year Ended June 30, 2014

The school's first year of operation was 2013-2014.

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	1	1	2	0	0	0	0
Mastery	2	5	4	9	6	14	8	19
Basic	14	33	12	28	6	14	10	23
Approaching Basic	9	21	12	28	17	40	13	30
Unsatisfactory	17	40	14	33	14	33	12	28
Total	43	100	43	100	43	101	43	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0	0	0	0	0	0	0
Mastery	2	4	1	2			1	2
Basic	17	35	15	30	10	20	9	18
Approaching Basic	13	26	13	27	18	37	15	31
Unsatisfactory	17	35	20	41	21	43	24	49
Total	49	100	49	100	49	100	49	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0	0	0	0	0	0	0
Mastery	0	0	0	0	0	0	0	0
Basic	0	0	0	0	0	0	0	0
Approaching Basic	0	0	0	0	0	0	0	0
Unsatisfactory	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0	0	0	0	0	0	0
Mastery	0	0	0	0	0	0	0	0
Basic	0	0	0	0	0	0	0	0
Approaching Basic	0	0	0	0	0	0	0	0
Unsatisfactory	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**SCHEDULE OF BOARD OF DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2014**

Myra Harris, President
210 Bobby Street, Tallulah, LA 71282

Gloria Watkins, Vice President
709 Cable Street, Tallulah, LA 71282

Calvin Washington
113 W. Oughborne Street, Tallulah, LA 71282

Angela Claxton
201 South Walnut Street, Tallulah, LA 71282

Alma Kendrick
214 8th Street, Tallulah, LA 71282

Lucille Esters
1003 Kimbrough Avenue, Tallulah, LA 71282

Annette Carlisle
1002 Madison Street, Tallulah, LA 71282

Note: Board members serve without compensation.

Other Reports



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of Tallulah Charter School
Tallulah, Louisiana

We have performed the procedures included in the I and enumerated below, which were agreed to by the management of Tallulah Charter 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 Tallulah 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. 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 relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following 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

We noted no differences.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

We noted no differences.

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.

We noted no differences.

**Tallulah Charter School
Tallulah, Louisiana
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2014**

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

We noted no differences.

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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

We noted no differences.

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

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

We noted no differences.

Public School Staff Data: Average Salaries (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 equivalent 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.

We noted no differences.

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

We noted no differences.

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 1 roll books for those classes and determined if the class was properly classified on the schedule.

We noted no differences.

Tallulah Charter School
Tallulah, Louisiana
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2014

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 in the schedule by Tallulah Charter School.

We noted no differences.

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

LEAP Tests (Schedule 9)

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

We noted no differences.

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

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
December 31, 2014



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*

To the CEO and Members of the Board
Tallulah Charter School
Tallulah, 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 Madison-Tallulah Education Center d/b/a Tallulah Charter School (a nonprofit organization) (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, and the related notes to the financial statements, which collectively comprise Tallulah Charter School's basic financial statements, and have issued our report thereon dated December 31, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tallulah Charter School'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tallulah Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Tallulah Charter School'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 Tallulah Charter 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Tallulah Charter School
Tallulah, Louisiana
Independent Auditor's Report - GAGAS
June 30, 2014

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Jonesboro, Louisiana
December 31, 2014



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

To the CEO and Members of the Board
Tallulah Charter School
Tallulah, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Tallulah Charter School's 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 Tallulah Charter School's major federal programs for the year ended June 30, 2014. Tallulah Charter School'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 Tallulah Charter School'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 Tallulah Charter 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 each major federal program. However, our audit does not provide a legal determination of Tallulah Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, Tallulah Charter School, 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, 2014.

Tallulah Charter School
Tallulah, Louisiana
Independent Auditor's Report – A-133
June 30, 2014

Report on Internal Control over Compliance

Management of Tallulah Charter 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 Tallulah Charter School'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 Tallulah Charter 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Jonesboro, Louisiana
December 31, 2014

**TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
United States Department of Agriculture:		
Passed through the Louisiana Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program (NSLP)	10.555	\$ 208,021
Summer Feeding Scholl Program (SFSP)	10.559	12,724
Total United States Department of Agriculture		<u>220,745</u>
United States Department of Education:		
Direct - Charter Schools	84.282	166,825
Passed through the Louisiana Department of Education:		
Title I - Grants to Local Educational Agencies	84.010	77,047
Special Education Cluster - Grants to States (IDEA Part B)	84.027	19,158
Twenty-First Century Community Learning	84.287	239,999
Title II-A - Improving Teacher Quality State Grants	84.367	12,260
Total United States Department of Education		<u>515,289</u>
Total federal expenditures		<u>\$ 736,034</u>

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTES:

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Tallulah Charter School as defined in Note 1 to the financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the School's financial statements. 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 in, or used in the preparation of, the basic financial statements.

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Tallulah Charter School was disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Tallulah Charter School expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were tested as major programs:
 - a. United States Department of Education – Charter Schools (CFDA 84.282)
 - b. United States Department of Agriculture – Child Nutrition Cluster (CFDA 10.555 and 10.559)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Tallulah Charter School was determined not to be a low-risk auditee.

TALLULAH CHARTER SCHOOL
TALLULAH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Current Year

No findings were reported.

Prior Year

The school's first audit was of the year ended June 30, 2014.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

Current Year

No findings were reported.

Prior Year

The school's first audit was of the year ended June 30, 2014.