

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2014

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
FINANCIAL STATEMENTS  
June 30, 2014

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# FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lake Charles Charter Academy Foundation, Inc.  
Lake Charles, Louisiana

We have audited the accompanying financial statements of Lake Charles Charter Academy Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2014, and the statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

### **Opinion**

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

**Other Matters**

Other Information

The Performance and Statistical Data, included as Schedules 1 through 9, is not a required part of the basic financial statements, but are 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 October 28, 2014, on our consideration of the Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation’s internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
October 28, 2014

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2014

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,493,775
Due from other governments	112,773
Due from related party	405,436
Other receivables	27,444
Prepaid expenses and other current assets	<u>12,725</u>
Total current assets	<u>2,052,153</u>
PROPERTY AND EQUIPMENT, less accumulated depreciation of \$ 982,901	12,814,859
OTHER ASSETS:	
Restricted cash and cash equivalents	1,390,452
Unamortized bond issuance costs and underwriters' discount	530,618
Deposits	<u>11,462</u>
Total other assets	<u>1,932,532</u>
Total assets	<u>\$ 16,799,544</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable and accrued expenses	\$ 145,571
Salaries and wages payable	297,450
Accrued interest payable	49,933
Compensated absences	12,059
Current portion of bonds payable	<u>170,000</u>
Total current liabilities	<u>675,013</u>
NONCURRENT LIABILITIES:	
Compensated absences	4,020
Bonds payable, net of unamortized discount	<u>14,893,540</u>
Total noncurrent liabilities	<u>14,897,560</u>
Total liabilities	15,572,573
COMMITMENTS AND CONTINGENCIES (Note 8)	-
NET ASSETS - Unrestricted	<u>1,226,971</u>
Total liabilities and net assets	<u>\$ 16,799,544</u>

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014

SUPPORT AND REVENUES:

Support:

Contributions	\$ 18,800
Grants:	
Federal	822,463
Minimum Foundation Program	<u>8,196,152</u>
Total support	<u>9,037,415</u>

Revenues:

Student lunches	22,086
Before and aftercare fees	36,459
Other revenue	23,719
Interest income	<u>567</u>
Total revenues	<u>82,831</u>

Total support and revenues	<u>9,120,246</u>
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EXPENSES:

Instruction	3,797,439
Support Services:	
Pupil personnel services	293,110
Instructional media services	14,731
Instructional and curriculum development services	2,206
Instructional staff training services	122,653
Instruction related technology	39,109
School board	69,199
School administration	465,474
Fiscal services	1,210,905
Food services	65,460
Central services	26,760
Transportation	326,353
Operation of plant	913,778
Community services	371,720
Interest and amortization expense	<u>1,264,698</u>
Total expenses	<u>8,983,595</u>

Change in net assets	136,651
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NET ASSETS, beginning of year	<u>1,090,320</u>
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NET ASSETS, end of year	<u>\$ <u>1,226,971</u></u>
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The accompanying notes to combined financial statements are an integral part of these statements.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 136,651
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Provision for depreciation	551,157
Provision for amortization of bond issuance costs	22,882
Provision for amortization of bond discount	14,892
Changes in assets and liabilities:	
Decrease in due from other governments	223,429
Decrease in due from related party	73,024
Increase in other receivables	(15,899)
Increase in prepaid expenses and other current assets	(8,129)
Decrease in deposits	3,983
Increase in accounts payable and accrued expenses	106,645
Decrease in accrued interest payable	(1,240)
Decrease in salaries and wages payable	(173,949)
Decrease in compensated absences	(1,141)
	<u>932,305</u>
Net cash provided by operating activities	<u>932,305</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Payments for purchase of property and equipment	<u>(990,362)</u>
Net cash used in investing activities	<u>(990,362)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on bonds payable	<u>(80,000)</u>
Net cash used in financing activities	<u>(80,000)</u>
Net decrease in cash and cash equivalents and and restricted cash and cash equivalents	(138,057)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, beginning of year	<u>3,022,284</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>2,884,227</u></u>
Cash and cash equivalents	\$ 1,493,775
Restricted cash and cash equivalents	<u>1,390,452</u>
	\$ <u><u>2,884,227</u></u>

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 1 - ORGANIZATION AND OPERATIONS

Organization

Lake Charles Charter Academy Foundation, Inc. (the "Foundation"), a Louisiana not-for-profit corporation, was formed on April 5, 2011 exclusively for educational purposes and is comprised of respected leaders in the Lake Charles community that are committed to providing high quality educational options for the citizens of the Calcasieu Parish. Lake Charles Charter Academy (the "School"), a segment of the Foundation, was established as a charter school in May 2011 for students from kindergarten to eighth grade in the Louisiana Parish of Calcasieu.

Nature of activities

Lake Charles Charter Academy Foundation, Inc. was granted a charter by the Louisiana Board of Elementary and Secondary Education ("BESE") in 2011 to operate a Type 2 public charter school. The current charter is in effect until June 2016 contingent upon the results of the reporting requirements at the end of the third year. Upon the completion of the charter school's fifth year of operations, the charter may be renewed at the discretion of BESE.

The Foundation seeks to provide educational services according to the educational standards established by law, the charter contract and the charter application/proposal; measure pupil progress toward stated goal; and participate in pupil assessment required by law, regulation and BESE policy.

The mission of the Lake Charles Charter Academy Foundation, Inc. is to become a powerful platform of change through the creation of a network of high-performing charter schools that will target traditionally underserved students and ensure that every student realizes their academic and personal potential.

The mission of the School is to provide students with the necessary tools and skills needed to develop superior levels of achievement. The School strives for academic, social and physical excellence by providing a quality and challenging curriculum. The School promotes positive moral and social values, fosters an atmosphere of self-discipline in a safe learning environment, and maximizes individual productivity to meet the needs of a changing global society. The school's students will be able to maximize their potential for successfully actualizing their goals with confidence and intrinsic motivation, thereby enabling each student to become a lifelong learner and strong functional contributor to their local community as well as their global community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

The financial statements presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) No. 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC No. 958, the Reporting Organization is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Foundation are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Revenue recognition:

Revenues from governmental grants are recognized when allowable expenditures are made by the Foundation. Funds received for specific purposes but not yet expended are recorded as unearned revenue.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Foundation reports no temporarily restricted or permanently restricted net assets as of June 30, 2014.

Minimum Foundation Program (MFP):

The School, as a Type 2 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at school. The amount of funding received is adjusted during the school year based on October 1st student count and the result of any audits performed.

Cash and cash equivalents:

The Foundation considers all highly liquid or short-term investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation routinely maintains cash balances at financial institutions which exceed federally insured amounts. The Foundation has not experienced any losses and does not believe that a significant credit risk exists as a result of this practice.

Restricted cash and cash equivalents:

At June 30, 2014, restricted cash and cash equivalents include escrow balances restricted for debt service (Note 6) and other activities as follows:

Series 2011A & B Debt	
Service Reserve Fund	\$ 1,390,234
Series 2011 A & B Revenue Fund	<u>218</u>
Total restricted cash and cash equivalents	\$ <u><u>1,390,452</u></u>

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment:

Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Donated property and equipment assets are valued at the estimated fair market value as of the date received. Additions, improvements, and other major renewals that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related assets. Other costs incurred for repairs and maintenance are charged to expense as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings	45 years
Furniture and equipment	5 years
Computer equipment	3 years

Prepaid expenses:

Certain payments reflect costs applicable to services for a future accounting period and are recorded as prepaid expenses in the accompanying financial statements.

Compensated absences:

The Entity's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Bond issuance costs and provision for amortization:

The Foundation incurred certain costs in connection with the issuance of its bonds. These costs have been capitalized for financial reporting purposes and are amortized over the term of the bonds on a straight-line basis.

Total provision for amortization was \$ 22,882 for the year ended June 30, 2014.

Unearned revenue:

Unearned revenue is recorded in connection with resources that have been received, but not yet earned.

Functional allocation of expenses:

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates:

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

Date of management's review:

Subsequent events have been evaluated through October 28, 2014, which is the date the financial statements were issued.

NOTE 3 - GRANTS RECEIVABLE

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

Receivables	Amount
Title I	\$ 73,330
Title II	12,558
IDEA	26,885
	\$ 112,773

NOTE 4 - DUE FROM RELATED PARTY

The Foundation and Southwest Louisiana Charter Academy Foundation, Inc. ("SLCAF") are related, as they share common board membership. As of June 30, 2014, the financial statements include a net amount due to the Foundation from SLCAF in the amount of \$ 405,436 for shared expenses and the sale of assets to SLCAF.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment balances and activity for the year ended June 30, 2014, are as follows:

Land	\$ 1,254,128
Building	11,361,592
Furniture, fixtures and equipment	594,330
Computer equipment and software	587,710
	13,797,760
Less: accumulated depreciation	(982,901)
Property and equipment, net	\$ 12,814,859

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 5 - PROPERTY AND EQUIPMENT (continued)

Depreciation expense for the year ended June 30, 2014 totaled \$ 551,157.

If certain governmental funding is used to acquire tangible property assets, the BESE has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to BESE.

NOTE 6 - BONDS PAYABLE

a. Summary of Bonds Payable

Bonds payable at June 30, 2014 is comprised of the following bond issues:

\$ 15,175,000 Tax-Exempt Educational Facilities Revenue Bonds, Series 2011A; due in semi-annual installments beginning June 2016 through December 2041; interest payable semiannually at rates that range from 7.75% to 8.00%.	\$ 15,175,000
\$ 340,000 Taxable Educational Facilities Revenue Bonds, Series 2011B; due in semi-annual installments beginning June 2014 through December 2015; interest payable semiannually at a fixed rate of 8.00%.	260,000
Less unamortized bond discount	<u>(371,460)</u>
	<u>\$ 15,063,540</u>

The following is a summary of changes in bonds payable for the year ended June 30, 2014:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014	Due Within One Year
Tax-Exempt Educational Facilities Revenue Bonds, Series 2011A	\$ 15,175,000	\$ -	\$ -	\$ 15,175,000	\$ -
Taxable Educational Facilities Revenue Bonds, Series 2011B	340,000	-	80,000	260,000	170,000
Discount on Series 2011A and 2011B Bonds	<u>(386,352)</u>	<u>-</u>	<u>14,892</u>	<u>(371,460)</u>	<u>-</u>
	<u>\$ 15,128,648</u>	<u>\$ -</u>	<u>\$ 94,892</u>	<u>\$ 15,063,540</u>	<u>\$ 170,000</u>

b. Summary of Significant Bonds Terms

**\$ 15,175,000 Tax-Exempt Educational Facilities Revenue Bonds, Series 2011A** - Series 2011A tax-exempt bonds are for the purpose of (i) financing the acquisition, construction and equipping of certain charter school facilities, (ii) paying capitalized interest, (iii) funding a reserve fund, and (iv) paying a portion of the costs of issuance of the Series 2011A bonds. The bonds are payable in semi-annual principal installments beginning June 2016 through December 2041. Interest ranging from 7.75% to 8.00% is payable semiannually on the fifteenth day of June and December.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 6 - BONDS PAYABLE (continued)

The bonds are subject to mandatory redemption at a redemption price equal to the principal amount plus accrued interest to the redemption date subject to certain events as outlined in the bond indenture. The bonds are not subject to a premium at optional redemption after December 15, 2021.

**\$ 340,000 Taxable Educational Facilities Revenue Bonds, Series 2011B** - Series 2011B taxable bonds are for the purpose of (i) paying capitalized interest, (ii) funding a deposit to the reserve fund and (iii) paying costs of issuance of the bond. The bonds are payable in semi-annual principal installments commencing in June 2014 through December 2015. Interest at 8.00% is payable semiannually on the fifteenth day of June and December.

The bonds are subject to mandatory redemption at a redemption price equal to the principal amount plus accrued interest to the redemption date subject to certain events as outlined in the bond indenture. The bonds are not subject to optional redemption prior to maturity.

The annual debt service requirement for the Series 2011A Educational Facilities Revenue Bonds consists of:

Year Ending June 30,	Principal	Interest	Total
2015	\$ -	\$ 1,200,962	\$ 1,200,962
2016	85,000	1,200,962	1,285,962
2017	180,000	1,190,887	1,370,887
2018	195,000	1,176,744	1,371,744
2019	210,000	1,161,244	1,371,244
2020-2024	1,325,000	5,530,125	6,855,125
2025-2029	1,940,000	4,916,519	6,856,519
2030-2034	2,835,000	4,016,888	6,851,888
2035-2039	4,205,000	2,659,200	6,864,200
2040-2041	4,200,000	623,800	4,823,800
	<u>\$ 15,175,000</u>	<u>\$ 23,677,331</u>	<u>\$ 38,852,331</u>

The annual requirements for the Series 2011B Educational Facilities Revenue Bonds consists of:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 170,000	\$ 17,400	\$ 187,400
2016	90,000	3,600	93,600
	<u>\$ 260,000</u>	<u>\$ 21,000</u>	<u>\$ 281,000</u>

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2014

NOTE 6 - BONDS PAYABLE (continued)

The trust indenture requires reserve funds equal to \$ 1,389,963 for the Series 2011A bonds. As of June 30, 2014, the reserve fund account balance was sufficient to satisfy this requirement. The trust indenture also contains a financial covenant which is as follows:

Covenant	Requirement	Calculated
Long-term debt service coverage ratio	At least 1.25	1.42

In order to secure the payment in full of the bonds and to secure the performance by the Foundation to all covenants, the Organization grants the Louisiana Public Facilities Authority (the "Authority") a security interest in substantially all their property and equipment. The Foundation also pledges to the Authority a security interest in all revenues, as well as the right, title and interest in the escrow accounts.

NOTE 7 - INCOME TAXES

Lake Charles Charter Academy Foundation, Inc. is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501 (a) of the Internal Revenue Code.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Management agreements:

The School has a formal agreement with Charter Schools USA, Inc. ("CSUSA") to manage, staff, and operate the School. CSUSA shall be entitled to retain as compensation for its services rendered pursuant to this agreement the difference, if any, between the amount of the charter school's revenues and the amount of revenues actually expended by CSUSA in operation and/or management of the charter school during its fiscal year (the "Fee") in accordance with the approved budget. The approved budget will include a projected management fee. Fees in excess of the projected fee require board approval.

For the year ended June 30, 2014, the amount of compensation received by CSUSA was \$ 1,192,070 which represents compensation for operating the School as well as the before and aftercare program.

At June 30, 2014, the School's accounts payable balance has an amount payable to CSUSA for \$ 114,650 which is for invoiced services.

Post-retirement benefits:

The School does not provide post-retirement benefits to retired employees.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 9 - EMPLOYEE BENEFIT PLAN

During the year ended June 30, 2014, the School offered all of its full-time employees, who had attained 21 years of age, a retirement plan under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 20% of their annual gross compensation, subject to certain limitations. The School contributed a matching amount of \$ 10,457 for the year ended June 30, 2014.

NOTE 10 - SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosure of Cash Flow information:

	<u>2014</u>
Cash received during the year for - Interest income	\$ 567
Cash paid during the year for - Interest expense	\$ 1,228,164

## SUPPLEMENTAL INFORMATION

**LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<b>FEDERAL AGENCY NAME:</b>				
U.S. Department of Agriculture -				
Passed through the Louisiana Department of Agriculture -				
National School Lunch Program	*	10.555	\$ 241,112	\$ -
National School Breakfast Program	*	10.553	<u>78,485</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>319,597</u>	<u>-</u>
U.S. Department of Education -				
Passed through the Louisiana Department of Education -				
Title I Grants to Local Educational Agencies	*	84.010	307,667	-
Improving Teacher Quality		84.367	58,711	-
Special Education - Grants to States		84.027	133,699	-
Special Education - Preschool Grants		84.173	<u>2,789</u>	<u>-</u>
Total U.S. Department of Education			<u>502,866</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 822,463</u>	<u>\$ -</u>

\* Denotes a major program.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2014

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of Lake Charles Charter Academy Foundation, Inc. and is presented on the accrual basis of accounting. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - CONTINGENCY

The grants and contracts revenue received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Foundation. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal, state and local laws and regulations.

# INTERNAL CONTROLS AND COMPLIANCE

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 Board of Trustees  
Lake Charles Charter Academy Foundation, Inc.  
Lake Charles, 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 Lake Charles Charter Academy Foundation, Inc. (a not-for-profit organization) (the "Foundation") which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2014.

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

In planning and performing our audit of the financial statements, we considered the Foundation'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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 the Foundation'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 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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
October 28, 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 Board of Trustees  
Lake Charles Charter Academy Foundation, Inc.  
Lake Charles, Louisiana

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

We have audited Lake Charles Charter Academy Foundation, Inc.'s (a not-for-profit organization) (the "Foundation") 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 the Foundation's major Federal programs for the year ended June 30, 2014. The Foundation'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 the Foundation'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 the Foundation'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 the Foundation's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Foundation 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.

## Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation'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 the Foundation'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.

## Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Foundation as of and for the year ended June 30, 2014, and have issued our report thereon dated October 28, 2014, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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.



KEEFE McCULLOUGH

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Lake Charles Charter Academy Foundation, Inc.
2. No material weaknesses relating to the audit of the financial statements are reported 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*.
3. No instances of noncompliance material to the financial statements of Lake Charles Charter Academy Foundation, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal programs are 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.
5. The auditor's report on compliance for the major Federal award programs for Lake Charles Charter Academy Foundation, Inc. expresses an unmodified opinion on all major Federal programs.
6. There are no audit findings relative to the major Federal programs for Lake Charles Charter Academy Foundation, Inc. reported in Part C of this schedule.
7. The programs tested as a major program are as follows:

<u>Federal Program</u>	<u>CFDA No.</u>
U.S. Department of Agriculture - National School Lunch Program	10.555
National School Breakfast Program	10.553
U.S. Department of Education - Title I Grants to Local Educational Agencies	84.010

8. The threshold for distinguishing Types A and B programs was \$ 300,000.
9. Lake Charles Charter Academy Foundation, Inc. was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No matters were reported.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS AUDITS

No matters were reported.

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014  
(continued)

**D. OTHER ISSUES**

1. No management letter is required because there were no findings required to be reported in a separate management letter.
2. There were no prior audit findings related to Federal programs.
3. No corrective action plan is required because there were no findings reported under OMB Circular A-133 Act.

**SCHEDULES REQUIRED BY STATE LAW  
(LA R.S. 24:524 - PERFORMANCE  
AND STATISTICAL DATA)**

INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
Lake Charles Charter Academy Foundation, Inc.  
Lake Charles, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Lake Charles Charter Academy Foundation, Inc. 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 statement of Lake Charles Charter Academy Foundation, Inc. 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 procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information are as follows:

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

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

No exceptions noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, 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.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, full-time teachers, 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 determined that the individual's education level was properly classified on the schedule.

No exceptions noted.

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.

No exceptions noted.

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 that the individual's experience was properly classified on the schedule.

No exceptions noted.

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.

No exceptions noted.

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

No exceptions noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule 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.

No exceptions noted.

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 Lake Charles Charter Academy Foundation, Inc.

No exceptions noted.

The Graduation Exit Exam (GEE) (Schedule 8)

11. Information is not applicable for 2014, and is shown for historical purposes.

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to the scores reported in the schedule by Lake Charles Charter Academy Foundation, Inc.

No exceptions noted.

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 Lake Charles Charter Academy Foundation, Inc., 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 22, 2014

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES  
For the Year Ended June 30, 2014

SCHEDULE 1

GENERAL FUND INSTRUCTIONAL  
AND EQUIPMENT EXPENDITURES:

General Fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 2,540,959
Other instructional staff activities	143,493
Instructional staff employee benefits	403,207
Purchased professional and technical services	76,189
Instructional materials and supplies	288,393
Instructional equipment	<u>141,772</u>

Total teacher and student interaction activities \$ 3,594,013

Other instructional activities 44,344

Pupil support activities 99,873

Less: equipment for pupil support activities -

Net pupil support activities 99,873

Instructional staff services 30,814

Less: equipment for instructional staff services -

Net instructional staff services 30,814

School administration 438,578

Less: equipment for school administration -

Net school administration 438,578

Total General Fund instructional expenditures \$ 4,207,622

Total General Fund equipment expenditures \$ 141,772

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES  
(continued)  
For the Year Ended June 30, 2014

SCHEDULE 1

CERTAIN LOCAL REVENUE SOURCES:

Local taxation revenue:	
Constitutional ad valorem taxes	\$ -
Renewable ad valorem tax	-
Debt services ad valorem tax	-
Up to 1% of collections by the sheriff on taxes other than school taxes	-
Result of court ordered settlement (ad valorem)	-
Penalties/interest on ad valorem taxes	-
Taxes collected due to tax incremental financing (TIF) (ad valorem)	-
Sales and use taxes	-
	<hr/>
Total local taxation revenue	\$ -
	<hr/> <hr/>
Local earnings on investment in real property:	
Earnings from 16th Section property	\$ -
Earnings from other real property	-
	<hr/>
Total local earnings on investment in real property	\$ -
	<hr/> <hr/>
State revenue in lieu of taxes:	
Revenue sharing - constitutional tax	\$ -
Revenue sharing - other taxes	-
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	-
	<hr/>
Total state revenue in lieu of taxes	\$ -
	<hr/> <hr/>
Nonpublic textbook revenue	\$ -
	<hr/>
Nonpublic transportation revenue	\$ -
	<hr/> <hr/>

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

**LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.**  
**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**  
**As of October 1, 2013**

**SCHEDULE 2**

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	23	55%	15	100%	-	-	-	-
Master's Degree	11	26%	-	-	-	-	-	-
Master's Degree +30	8	19%	-	-	1	50%	-	-
Specialist in Education	-	-	-	-	-	-	-	-
PhD or EdD	-	-	-	-	1	50%	-	-
<b>Total</b>	<b>42</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
NUMBER AND TYPE OF PUBLIC SCHOOLS  
For the Year Ended June 30, 2014

SCHEDULE 3

<u>Type</u>	<u>Number</u>
Elementary	1
Middle/Junior High	1
Secondary	-
Combination	-
	<hr/>
Total	2
	<hr/> <hr/>

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

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
 EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS  
 AND FULL-TIME CLASSROOM TEACHERS  
 As of October 1, 2013

SCHEDULE 4

	0-1 Years	2-3 Years	4-10 Years	11-14 Years	15-19 Years	20-24 Years	25+ Years	Total
Assistant principals	-	-	1	-	-	-	-	1
Principals	-	-	-	-	-	-	1	1
Classroom teachers	16	12	11	4	2	3	9	57
Total	16	12	12	4	2	3	10	59

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
PUBLIC SCHOOL STAFF DATA - AVERAGE SALARIES  
For the Year Ended June 30, 2014

SCHEDULE 5

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees and Flagged Salary Reductions</u>
Average classroom teacher's salary including extra compensation	\$ <u>42,388</u>	\$ <u>42,388</u>
Average classroom teacher's salary excluding extra compensation	\$ <u>39,791</u>	\$ <u>39,791</u>
Number of teacher full-time equivalents (FTE's) used in computation of average salaries	<u>59</u>	<u>59</u>

NOTE: Figures reported include all sources of funding (i.e., federal, state and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

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

**LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.**  
**CLASS SIZE CHARACTERISTICS**  
 As of October 1, 2013

**SCHEDULE 6**

	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
<b>SCHOOL TYPE:</b>								
Elementary	100%	5	100%	20	-	-	-	-
Elementary/activity classes	-	-	-	-	-	-	-	-
Middle/Junior High	-	-	-	-	100%	32	-	-
Middle/Junior High activity classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High activity classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination activity classes	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>20</b>	<b>100%</b>	<b>32</b>	<b>-</b>	<b>-</b>

**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 kindergarten through 3 is 26 students and maximum enrollment in grades 4 through 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.

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

**LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)**  
**For the Year Ended June 30, 2014**

**SCHEDULE 7**

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4:</b>												
Advanced	2	2%	4	4%	1	1%	7	8%	5	5%	5	5%
Mastery	29	32%	25	26%	21	21%	23	25%	22	23%	21	21%
Basic	41	45%	48	51%	57	57%	35	38%	42	45%	46	46%
Approaching basic	18	20%	13	14%	16	16%	17	18%	18	19%	23	23%
Unsatisfactory	2	1%	5	5%	5	5%	10	11%	8	8%	5	5%
<b>Total</b>	<b>92</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>92</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4:</b>												
Advanced	-	-	4	4%	1	1%	1	1%	-	-	-	-
Mastery	17	18%	13	14%	7	7%	11	12%	10	11%	5	5%
Basic	56	62%	43	46%	53	53%	63	69%	54	57%	60	60%
Approaching basic	17	18%	27	28%	30	30%	10	11%	22	23%	22	22%
Unsatisfactory	2	2%	8	8%	9	9%	7	7%	9	9%	13	13%
<b>Total</b>	<b>92</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>92</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8:</b>												
Advanced	1	1%	-	-	-	-	2	2%	-	-	-	-
Mastery	9	10%	-	-	-	-	3	3%	-	-	-	-
Basic	54	59%	-	-	-	-	46	49%	-	-	-	-
Approaching basic	26	28%	-	-	-	-	24	26%	-	-	-	-
Unsatisfactory	3	2%	-	-	-	-	18	20%	-	-	-	-
<b>Total</b>	<b>93</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8:</b>												
Advanced	2	2%	-	-	-	-	-	-	-	-	-	-
Mastery	6	7%	-	-	-	-	10	11%	-	-	-	-
Basic	48	52%	-	-	-	-	54	58%	-	-	-	-
Approaching basic	28	30%	-	-	-	-	22	24%	-	-	-	-
Unsatisfactory	9	9%	-	-	-	-	7	7%	-	-	-	-
<b>Total</b>	<b>93</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.  
GRADUATION EXIT EXAMINATION (GEE)  
For the Year Ended June 30, 2014

SCHEDULE 8

The Graduation Exit Examination is no longer administered. This schedule is no longer applicable.

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.

iLEAP TESTS

For the Year Ended June 30, 2014

SCHEDULE 9

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3:</b>												
Advanced	2	2%	2	2%	-	-	12	13%	7	8%	-	-
Mastery	17	18%	24	27%	-	-	16	17%	23	26%	-	-
Basic	49	51%	48	55%	-	-	40	42%	44	50%	-	-
Approaching basic	19	20%	11	13%	-	-	21	22%	11	13%	-	-
Unsatisfactory	9	9%	3	3%	-	-	7	7%	3	3%	-	-
<b>Total</b>	<b>96</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5:</b>												
Advanced	2	2%	3	3%	-	-	3	3%	7	8%	-	-
Mastery	18	20%	10	11%	-	-	13	14%	12	13%	-	-
Basic	41	46%	51	57%	-	-	39	54%	48	54%	-	-
Approaching basic	22	24%	20	22%	-	-	28	20%	19	21%	-	-
Unsatisfactory	7	8%	6	7%	-	-	7	8%	4	4%	-	-
<b>Total</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6:</b>												
Advanced	3	3%	-	-	-	-	4	4%	1	1%	-	-
Mastery	20	22%	7	8%	-	-	7	8%	6	7%	-	-
Basic	55	59%	54	59%	-	-	55	59%	43	47%	-	-
Approaching basic	11	12%	26	29%	-	-	18	19%	24	26%	-	-
Unsatisfactory	4	4%	4	4%	-	-	9	10%	17	19%	-	-
<b>Total</b>	<b>93</b>	<b>100%</b>	<b>91</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>100%</b>	<b>91</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7:</b>												
Advanced	2	2%	3	3%	-	-	-	-	2	2%	-	-
Mastery	11	12%	17	18%	-	-	6	7%	7	7%	-	-
Basic	53	58%	50	51%	-	-	57	62%	44	45%	-	-
Approaching basic	24	26%	25	26%	-	-	19	21%	26	27%	-	-
Unsatisfactory	2	2%	2	2%	-	-	10	11%	18	19%	-	-
<b>Total</b>	<b>92</b>	<b>100%</b>	<b>97</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>100%</b>	<b>97</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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

LAKE CHARLES CHARTER ACADEMY FOUNDATION, INC.

iLEAP TESTS

For the Year Ended June 30, 2014

(CONTINUED)

SCHEDULE 9

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3:</b>												
Advanced	4	4%	4	5%	-	-	1	1%	1	1%	-	-
Mastery	11	11%	12	14%	-	-	9	9%	13	15%	-	-
Basic	43	45%	44	49%	-	-	64	67%	43	49%	-	-
Approaching basic	25	26%	21	24%	-	-	10	10%	21	25%	-	-
Unsatisfactory	13	14%	7	8%	-	-	12	13%	9	10%	-	-
<b>Total</b>	<b>96</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>99%</b>	<b>87</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5:</b>												
Advanced	2	2%	1	1%	-	-	2	2%	-	-	-	-
Mastery	11	12%	10	11%	-	-	5	6%	8	9%	-	-
Basic	42	47%	54	61%	-	-	46	51%	49	54%	-	-
Approaching basic	28	31%	22	24%	-	-	31	34%	23	26%	-	-
Unsatisfactory	7	8%	3	3%	-	-	6	7%	10	11%	-	-
<b>Total</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6:</b>												
Advanced	1	1%	1	1%	-	-	2	2%	2	2%	-	-
Mastery	12	13%	8	9%	-	-	11	12%	5	5%	-	-
Basic	58	62%	45	49%	-	-	47	51%	45	50%	-	-
Approaching basic	16	17%	29	32%	-	-	27	29%	25	28%	-	-
Unsatisfactory	6	6%	8	9%	-	-	6	6%	14	15%	-	-
<b>Total</b>	<b>93</b>	<b>100%</b>	<b>91</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>100%</b>	<b>91</b>	<b>100%</b>	<b>-</b>	<b>-</b>

District Achievement Level Results Students	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7:</b>												
Advanced	1	1%	2	2%	-	-	1	1%	1	1%	-	-
Mastery	18	20%	9	9%	-	-	15	16%	11	11%	-	-
Basic	28	30%	45	47%	-	-	51	55%	62	65%	-	-
Approaching basic	36	39%	37	38%	-	-	20	22%	15	15%	-	-
Unsatisfactory	9	10%	4	4%	-	-	5	5%	8	8%	-	-
<b>Total</b>	<b>92</b>	<b>100%</b>	<b>97</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>100%</b>	<b>97</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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