

**Bayou Community Academy
Charter School**

Financial Statements
and Independent Auditor's Report
June 30, 2014

**Bayou Community Academy
Charter School**

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2014

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**Bayou Community Academy
Charter School**

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bayou Community Academy Charter School
Thibodaux, Louisiana

Report on the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

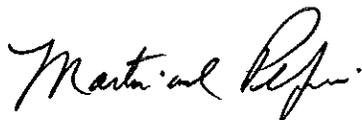
Opinion

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of Bayou Community Academy 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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



Houma, Louisiana
November 20, 2014

FINANCIAL STATEMENTS SECTION

**Bayou Community Academy
Charter School**

Statement of Financial Position
June 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,441,295
Investments	1,676,120
Accounts receivable	55
Prepaid expense	<u>9,794</u>

Total current assets 3,127,264

Property and equipment, net of accumulated depreciation of \$93,709	<u>120,033</u>
--	----------------

TOTAL ASSETS \$ 3,247,297

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 26,851
Accrued retirement	66,220
Accrued payroll	109,891
Payroll taxes payable	7,739
Deferred compensation	84,284
Compensated absences	<u>20,260</u>

Total current liabilities 315,245

Net assets:

Unrestricted	<u>2,932,052</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 3,247,297

The accompanying notes are an integral part of this statement.

**Bayou Community Academy
Charter School**

Statement of Activities
Year Ended June 30, 2014

	<u>Unrestricted</u>
REVENUE, GRANTS AND OTHER SUPPORT	
Grants:	
State public school funding	\$ 3,478,680
Local grants	26,423
Other local sources	267,391
In-kind contributions	11,225
Investment income	104
	<u>3,783,823</u>
TOTAL REVENUE, GRANTS AND OTHER SUPPORT	
EXPENSES	
Program services	
Regular education programs	1,326,062
School administration	380,239
Operation and maintenance	211,211
Special education programs	164,443
Instructional staff services	99,307
Special programs	81,685
Student transportation services	80,307
Pupil support services	59,349
Non-instructional services	28,442
Other instructional programs	21,435
Depreciation	39,189
Management and general	
Business services	106,045
General administration	88,348
Fundraising	15,036
	<u>2,701,098</u>
TOTAL EXPENSES	<u>2,701,098</u>
INCREASE IN NET ASSETS	1,082,725
NET ASSETS, BEGINNING OF PERIOD	<u>1,849,327</u>
NET ASSETS, END OF PERIOD	<u>\$ 2,932,052</u>

The accompanying notes are an integral part of this statement.

**Bayou Community Academy
Charter School**

Statement of Cash Flows
Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 1,082,725
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	39,189
Increase (decrease) in operating assets:	
Accounts receivable	20
Grants receivable	19,217
Prepaid expense	(758)
Increase (decrease) in operating liabilities:	
Accounts payable	(17,780)
Accrued expenses	17,441
Deferred compensation	22,179
Compensated absences	20,260

**NET CASH FLOWS PROVIDED BY OPERATING
ACTIVITIES**

1,182,493

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(11,098)
Purchases of investments	(750,339)

NET CASH FLOWS USED IN INVESTING ACTIVITIES

(761,437)

NET INCREASE IN CASH AND CASH EQUIVALENTS

421,056

BEGINNING CASH AND CASH EQUIVALENTS

1,020,239

ENDING CASH AND CASH EQUIVALENTS

\$ 1,441,295

The accompanying notes are an integral part of this statement.

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 1 – ORGANIZATION AND OPERATIONS

Bayou Community Academy, Inc. (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 29, 2009. The School applied to the Lafourche Parish School Board to operate a Type I charter school. The charter was granted to Bayou Community Academy, Inc. for a five year term commencing July 1, 2011, and ending on June 30, 2016. The School presently serves eligible students in pre-kindergarten through sixth grade and plans to add a grade each year until reaching eighth grade.

The School leases its building from Lafourche Parish School Board for \$8,000 per month, plus additional square footage at Thibodaux Elementary School for \$1,593 per month. The total amount paid during the fiscal year ended June 30, 2014 was \$119,187. The School also paid Lafourche Parish School Board an administrative fee representing 2% of the total revenue received under the State Public School - MFP Funding, amounting to \$69,573.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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.

B. 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 have been prepared on the accrual basis of accounting whereby revenues are recognized when

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

earned and expenses are recognized when incurred, in accordance with accounting principles generally accepted in the United States of America.

C. REVENUES

The School's primary source of funding is through the State Public School – MFP Funding, which made up 92% of its revenues. State grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

D. PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment of the School are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Depreciation of all exhaustible property and equipment is calculated using the straight-line method and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation. Normal building maintenance and minor equipment purchases are included as expenses of the School.

E. INCOME TAXES

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes have been made.

F. 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.

G. 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.

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. CONCENTRATIONS

The School received 92% of its revenues in the year ended June 30, 2014 from the State Public School – MFP Funding, subject to its charter school contract with the Board of Trustees.

NOTE 3 – CASH AND INVESTMENTS

The School's cash and cash equivalents (book balances) at June 30, 2014, were \$1,441,295, which are stated at cost and approximate market.

The School's investments are limited to funds deposited with Louisiana Asset Management Pool (LAMP). LAMP is a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

The weighted average maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. Investments in LAMP as of June 30, 2014 amounted to \$1,676,120 and are classified on the Statement of Financial Position as "Investments". In accordance with GASB Codification Section 150.126, the investment in LAMP as of June 30, 2014 is not recognized in the three risk categories provided by GASB Codification 150.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Computers and Peripherals	\$ 156,233	\$ 11,098	\$ -	\$ 167,331
Computer Software	11,070	-		11,070
Furniture and Equipment	35,341	-	-	35,341
	202,644	11,098	-	213,742
Less: Accumulated Depreciation	(54,520)	(39,189)	-	(93,709)
Total	<u>\$ 148,124</u>	<u>\$ (28,091)</u>	<u>\$ -</u>	<u>\$ 120,033</u>

Depreciation expense for the year ended June 30, 2014, was \$39,189. Depreciation is calculated using the straight-line method over useful lives of 3 to 7 years.

All assets acquired with Louisiana Department of Education funds are owned by the School while used for the purpose in 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 – DEFERRED COMPENSATION

For ten-month employees, such as teachers, July 2014 payroll costs are recorded as deferred compensation. These employees earned such compensation by completing their contracts with the School on May 30, 2014. While they work for a ten month period, they get paid over a twelve month period. The contract period for these employees was August 7, 2013 to May 30, 2014 and the amount of deferred compensation that was recorded is \$84,284.

NOTE 6 – COMPENSATED ABSENCES

Annual leave is to be granted to all 230-240 day employees for the purpose of rehabilitation and restoration of work efficiency. The School has three employees that fall into this category. All 230-240 day employees shall earn such leave based on years of experience. Any unused annual leave at the time of separation (termination of employment or death) shall be paid to the employee or his/her heirs. At June 30, 2014, compensated absences payable equaled \$20,260.

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 7 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

The following is a summary of in-kind contributions for the year ended June 30, 2014:

	<u>Estimated Market Value</u>
Gala Fundraiser Donations	\$ 9,545
Donated Office Space	<u>1,680</u>
Total In-kind Contributions	<u>\$ 11,225</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the School's program, administrative, and fund-raising activities.

NOTE 8 – RETIREMENT PLANS

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are 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 for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ending June 30, 2014, the employer contribution rate was 27.2%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 8 – RETIREMENT PLANS (Cont.)

the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2014 was \$326,606.

In addition to TRSL, certain employees of the School participate in the Louisiana School Employees' Retirement System (LSERS). The LSERS is a cost-sharing, multiple-employer defined benefit plan, which guarantees a benefit based on age, years of service, and final average compensation at retirement, not on the amount of contributions. LSERS members are non-instructional personnel of the Louisiana public school system. Employees must work more than 20 hours per week to become a member of this system. Ten years of service (member before July 1, 2010) or five years of service (member on or after July 1, 2010) in LSERS are required to become vested in the system.

Funding Policy

Plan members are required to contribute 7.50% of their annual covered salary, with 8.00% effective July 1, 2010 for new LSERS members. The School is required to contribute at an actuarially determined rate, which was 32.3% for fiscal year 2013-14. The School's contributions to the plan for the year ended June 30, 2014 was \$12,542.

NOTE 9 – LOCAL GRANTS

During the year ended June 30, 2014, the School recognized grant revenue from the following local grants:

Lorio Grant Foundation	\$ 20,783
LEF Grant	5,300
LFLTA Mini Grant	220
Entergy Grant	<u>120</u>
Total Local Grants	<u><u>\$ 26,423</u></u>

NOTE 10 – UNCERTAIN INCOME TAXES

The School's 2012 tax returns were filed appropriately. As of November 2014, the School had not filed their 2013 tax return as the filing due date had been extended to February 15, 2015. 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 period is 2010 to 2012. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

**Bayou Community Academy
Charter School**

Notes to Financial Statements
Year Ended June 30, 2014

NOTE 11 – OPERATING LEASE

On July 13, 2011, the School entered into a lease agreement with the Lafourche Parish School Board for the rental of property to be used for the operation of Bayou Community Academy. The lease is for a term of three years, beginning July 1, 2011 and ending on June 30, 2014. The agreement includes 36 monthly payments of \$8,000. Beginning July 1, 2013, an additional amount of \$1,593 per month is being charged for additional square footage at Thibodaux Elementary School. The total expense under this lease for the year ended June 30, 2014 is \$119,187.

A new three-year lease agreement went into effect on July 1, 2014 for \$8,000 per month. In addition, the additional amount being charged for the increase in classroom usage at Thibodaux Elementary School is \$2,787 per month. Future minimum lease payments on this lease is \$129,444 for the years ended June 30, 2015, 2016 and 2017.

In 2013, the School entered into a School Bus Lease Service/Maintenance Agreement with a locally owned school bus provider to lease two school buses. The agreement stipulates a rate of \$11,100 per year, per vehicle payable in ten payments of \$1,110 per month per vehicle. The agreement went into effect on August 5, 2013 for a period of twelve months and shall be renewable for an additional twelve months based on the mutual agreement of both parties. The total expense under this lease for the year ended June 30, 2014 is \$18,740. Future minimum lease payments on this lease is \$11,100 for the year ended June 30, 2015.

NOTE 12 – CONCENTRATION OF CREDIT RISK

Bayou Community Academy Charter School maintains its cash in one financial institution located in Louisiana. During the year, the Federal Deposit Insurance Corporation (FDIC) insured the Organization's balances up to \$250,000 and pledged securities held by the pledging financial institution's trust department or agent were pledged as additional collateralization. The Organization's deposits did exceed FDIC coverage at times during the year.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 20, 2014.

On October 7, 2014, the Bayou Community Academy, Inc. Board of Directors issued approval in the form of a Corporate Resolution, authorizing the purchase of 20.27 acres of land for \$506,750. A new campus will be built on this property in the future.

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

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Trustees
Bayou Community Academy Charter School
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Bayou Community Academy Charter School (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Bayou Community Academy 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 that relate to the accompanying schedules of supplemental information are as follows:

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

1. We have 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 accounts 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 Earning on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

Findings:

None.

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 to School supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals and full-time classroom teachers by classification as of October 1st and as reported on the schedule. We traced 100% of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as recorded 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.

Findings:

None.

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

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

Findings:

None.

Public School Staff Data: 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 equivalents as reported on the schedule and traced 100% of the teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported on the schedule.

Findings:

None.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced 100% of the classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

Findings:

None.

Graduation Exit Exam (GEE) (Schedule 8)

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

iLEAP Test Results (Schedule 9)

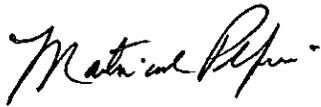
12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None.

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

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

A handwritten signature in black ink, appearing to read "Matthew R. Pappas". The signature is written in a cursive style with a horizontal line underneath.

Houma, Louisiana
November 20, 2014

Bayou Community Academy Charter School

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

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 – Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 – Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

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

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

Schedule 5 – Public School Staff Data: Average Salaries

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehire 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. The data is currently reported to the Legislature in the Annual School Report (ASR).

Bayou Community Academy Charter School

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

Schedule 7 – Louisiana Educational Assessment Program (LEAP)

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

Schedule 8 – Graduation Exit Exam

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

Schedule 9 – iLEAP Test Results

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

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

Bayou Community Academy Charter School
Thibodaux, Louisiana
General Fund Instructional and Support Expenditures
And Certain Local Revenue Sources
For the Year Ended June 30, 2014

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$	894,250	
Other Instructional Staff Salaries		18,568	
Instructional Staff Employee Benefits		406,559	
Purchased Professional and Technical Services		22,994	
Instructional Materials and Supplies		99,090	
Instructional Equipment		8,062	

Total Teacher and Student Interaction Activities \$ 1,449,523

Other Instructional Activities 17,838

Pupil Support Services 58,941

Less: Equipment for Pupil Support Services -

Net Pupil Support Services 58,941

Instructional Staff Services 98,157

Less: Equipment for Instructional Staff Services (220)

Net Instructional Staff Services 97,937

School Administration 374,163

Less: Equipment for School Administration (1,007)

Net School Administration 373,156

Total General Fund Instructional Expenditures \$ 1,997,395

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes		-
Other than School Taxes		-
Sales and Use Taxes		-

Total Local Taxation Revenue \$ -

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$	-
Earnings from Other Real Property		-

Total Local Earnings on Investment in Real Property \$ -

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

Bayou Community Academy Charter School
 Thibodaux, Louisiana
 Education Levels of Public School Staff
 As of June 30, 2014

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	18	69%						
Master's Degree	8	31%			1	100%		
Master's Degree +30								
Specialist in Education								
Ph. D. or Ed. D.								
Total	26	100%	0	0%	1	100%	0	0%

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

Bayou Community Academy Charter School
Thibodaux, Louisiana
Number and Type of Public Schools
For the Year Ended June 30, 2014

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

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

Bayou Community Academy Charter School
Thibodaux, Louisiana
 Experience of Public Principals, Assistant Principals
 And Full-time Classroom Teachers
 As of June 30, 2014

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals			1					1
Classroom Teachers	5	3	10	4	3	1		26
Total	5	3	11	4	3	1		27

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

Bayou Community Academy Charter School
 Thibodaux, 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	\$39,290	\$39,290
Average Classroom Teachers Salary Excluding Extra Compensation	\$38,641	\$38,641
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	26	26

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

Bayou Community Academy Charter School
 Thibodaux, Louisiana
 Class Size Characteristics
 As of June 30, 2014

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	25%	4	75%	12				

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

Bayou Community Academy Charter School
Thibodaux, 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	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4												
Advanced	10	10%	8	15%	2	8%	18	18%	8	15%	2	8%
Mastery	41	41%	19	37%	10	38%	41	41%	20	38%	7	27%
Basic	41	41%	23	44%	13	50%	39	39%	12	23%	14	54%
Approaching Basic	8	8%	2	4%	1	4%	2	2%	7	13%	3	12%
Unsatisfactory	1	1%	0	0%	0	0%	1	1%	5	10%	0	0%
Total	101	100%	52	100%	26	100%	101	100%	52	100%	26	100%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4												
Advanced	6	6%	5	10%	3	12%	1	1%	0	0%	1	4%
Mastery	16	16%	18	35%	7	27%	27	27%	18	35%	5	19%
Basic	57	56%	20	38%	13	50%	55	54%	28	54%	17	65%
Approaching Basic	22	22%	9	17%	3	12%	18	18%	5	10%	3	12%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%
Total	101	100%	52	100%	26	100%	101	100%	52	100%	26	100%

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

Bayou Community Academy
Thibodaux, Louisiana
Graduation Exit Exam
For the Year Ended June 30, 2014

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

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

Bayou Community Academy Charter School
Thibodaux, Louisiana
iLEAP Test Results
For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3												
Advanced	25	25%	4	8%	3	6%	35	35%	5	10%	3	6%
Mastery	46	46%	8	15.5%	18	35%	33	33%	9	18%	13	25%
Basic	29	29%	25	49%	22	43%	33	33%	20	39%	23	45%
Approaching Basic	1	1%	8	15.5%	6	12%	0	0%	13	25%	8	16%
Unsatisfactory	0	0%	6	12%	2	4%	0	0%	4	8%	4	8%
Total	101	100%	51	100%	51	100%	101	100%	51	100%	51	100%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3												
Advanced	21	21%	4	8%	1	2%	12	12%	5	10%	0	0%
Mastery	48	48%	15	29%	17	33%	48	48%	10	20%	18	35%
Basic	27	27%	18	35%	24	47%	40	40%	18	35%	24	47%
Approaching Basic	4	4%	11	22%	9	18%	1	1%	12	23%	7	14%
Unsatisfactory	1	1%	3	6%	0	0%	0	0%	6	12%	2	4%
Total	101	100%	51	100%	51	100%	101	100%	51	100%	51	100%

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

Bayou Community Academy Charter School
Thibodaux, Louisiana
 iLEAP Test Results
 For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2014		2013		2014		2013		2014		2013		2014		2013	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 5																
Advanced	13	13%	2	8%	29	29%	3	12%	12	12%	3	12%	6	6%	0	0%
Mastery	56	55%	7	26%	38	38%	5	19%	25	25%	6	22%	25	25%	5	19%
Basic	27	27%	14	54%	33	33%	16	61%	54	53%	13	50%	60	59%	15	58%
Approaching Basic	4	4%	2	8%	1	1%	1	4%	10	10%	2	8%	10	10%	4	15%
Unsatisfactory	1	1%	1	4%	0	0%	1	4%	0	0%	2	8%	0	0%	2	8%
Total	101	100%	26	100%	101	100%	26	100%	101	100%	26	100%	101	100%	26	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6								
Advanced	11	11%	13	13%	2	2%	6	6%
Mastery	45	45%	23	23%	30	30%	23	23%
Basic	38	38%	58	58%	55	55%	62	62%
Approaching Basic	4	4%	4	4%	13	13%	9	9%
Unsatisfactory	2	2%	2	2%	0	0%	0	0%
Total	100	100%	100	100%	100	100%	100	100%

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

SUPPLEMENTAL INFORMATION

**Bayou Community Academy
Charter School**

Schedule of Board of Trustees
For the Year Ended June 30, 2014

<u>Board Members</u>	<u>Compensation</u>
William Crawford 522 Green Street Thibodaux, Louisiana 70301	\$-0-
Jim Barr 402 West 2 nd Street Thibodaux, Louisiana 70301	\$-0-
Vicki Corbett 507 Ducros Drive Thibodaux, Louisiana 70301	\$-0-
Shaunna Landry 269 Live Oak Drive Thibodaux, Louisiana 70301	\$-0-
Larry Youngblood 19839 Highway 644 Vacherie, Louisiana 70090	\$-0-
Nolan Smith 156 Brooklyn Lane Raceland, Louisiana 70394	\$-0-
Cleveland Hill 2130 Highway 3185 Thibodaux, Louisiana 70301	\$-0-
Steven Welsh 222 North Montz Street In Gramercy, Louisiana 70052	\$-0-

See independent auditor's report.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

**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
Bayou Community Academy, Inc.
Thibodaux, 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 Bayou Community Academy Charter 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, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

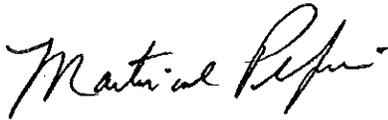
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Bayou Community Academy Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 result of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Directors, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
November 20, 2014

OTHER INFORMATION

Bayou Community Academy Charter School

Schedule of Findings and Responses As of and for the Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Bayou Community Academy Charter School.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters material to the financial statements of Bayou Community Academy Charter School which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the financial statements of Bayou Community Academy Charter School were noted during the audit.

Section III – Internal Control Findings

No findings related to Bayou Community Academy Charter School’s internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

Bayou Community Academy Charter School

Management's Corrective Action Plan for Current Year Findings As of and for the Year Ended June 30, 2014

The contact person for all corrective actions noted below is Ms. Lacey Hoffpauir, Business Manager for Bayou Community Academy Charter School.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Bayou Community Academy Charter School

**Schedule of Prior Findings and Resolution Matters
As of and for the Year Ended
June 30, 2014**

Note: All prior findings relate to the June 30, 2013 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.