

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES*Audit of Financial Statements*

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/19/11

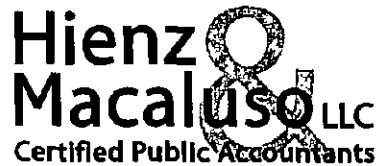
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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
New Orleans College Preparatory Academies

We have audited the accompanying statement of financial position of New Orleans College Preparatory Academies (the School), a non-profit organization, as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2010, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Hienz & Macaluso, LLC". The signature is written in a cursive, flowing style.

HIENZ & MACALUSO, LLC

Metairie, LA

December 23, 2010

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,403,537
Grants receivable	51,861
Other receivables	7,723
Prepaid expenses	<u>11,213</u>
Total current assets	<u>1,474,334</u>

Property and Equipment

Furniture and equipment	16,331
Accumulated depreciation	<u>(2,722)</u>
Total property and equipment, net	<u>13,609</u>

Total assets	<u>\$ 1,487,943</u>
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LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 18,320
Salaries and benefits payable	86,717
Bonuses payable	<u>51,472</u>
Total current liabilities	<u>156,509</u>

Total liabilities	<u>156,509</u>
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Net assets

Unrestricted net assets	793,092
Temporarily restricted net assets	538,342
Permanently restricted net assets	<u>-</u>
Total net assets	<u>1,331,434</u>

Total liabilities and net assets	<u>\$ 1,487,943</u>
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The accompanying notes are an integral part of these financial statements.

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
State public school funding	\$ 3,227,182	\$ -	\$ -	\$ 3,227,182
Federal sources	950,367	-	-	950,367
Contributions and donations	181,813	1,153,692	-	1,335,505
Other income	816	-	-	816
Net Assets Released from Restrictions	1,005,741	(1,005,741)	-	-
Total Revenue	5,365,919	147,951	-	5,513,870
Expenses				
Program Services				
Regular education programs	1,890,910	-	-	1,890,910
Special education programs	319,644	-	-	319,644
Other instructional programs	290,129	-	-	290,129
Total Program	2,500,683	-	-	2,500,683
Support services				
Pupil support services	200,841	-	-	200,841
Instructional staff services	274,847	-	-	274,847
General administration	160,039	-	-	160,039
School administration	582,385	-	-	582,385
Business administration	258,583	-	-	258,583
Operations and maintenance of plant	298,704	-	-	298,704
Student transportation services	458,863	-	-	458,863
Central services	107,455	-	-	107,455
Food services	38,368	-	-	38,368
Total Support Services	2,380,085	-	-	2,380,085
Total expenses	4,880,768	-	-	4,880,768
Change in net assets	485,151	147,951	-	633,102
Net assets, beginning of year	307,941	390,391	-	698,332
Net assets, end of year	\$ 793,092	\$ 538,342	\$ -	\$ 1,331,434

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

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows from Operating activities	
Change in net assets	\$ 633,102
Adjustments to reconcile change in net assets	
net cash provided by operating activities:	
Depreciation	2,722
Decrease in grants receivable	253,003
Increase in other receivables	(7,723)
Decrease in prepaid expenses	2,285
Decrease in accounts payable	(50,546)
Increase in salaries and benefits payable	86,717
Increase in bonuses payable	36,472
Total adjustments	<u>322,930</u>
Net cash provided by operating activities	<u>956,032</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>(16,331)</u>
Net cash used in investing activities	<u>(16,331)</u>
Net increase in cash and cash equivalents	939,701
Cash and cash equivalents, beginning of year	<u>463,836</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,403,537</u></u>

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

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 – Organization

New Orleans College Preparatory Academies (the School) was created as a non-profit organization under the laws of the State of Louisiana on November 6, 2006. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type V charter school. On May 24, 2007, BESE approved the charter. The charter was granted for a minimum of three years; in 2010 a two year renewal of the charter was granted. The School serves eligible students in kindergarten through third grade and sixth through ninth grade.

The School leases its building rent free from the Louisiana Recovery School District.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the organization in the course of its business.

Temporarily Restricted Net Assets – assets whose restrictions lapse with the passage of time.

Permanently Restricted Net Assets – assets whose restrictions do not lapse with the passage of time.

Presently, the School has no permanently restricted net assets.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 – Organization (Continued)

amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Property and Equipment

Property and equipment 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. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Income Taxes

The School is operating under Section 501(c)(3) of the Internal Revenue Code, and is generally exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School has considered all unrestricted cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Paid Time Off

Full-time employees are eligible to earn paid time off in addition to school holidays and break periods. Paid time off begins to accrue on the first day an employee works for the school. Paid time off can be rolled over to the following year or paid out at the rate of \$125 per day at the end of each year. As of June 30, 2010, the School's liability for paid time off was \$6,438.

Note 2 – Cash and Cash Equivalents

As of June 30, 2010, cash consists of demand deposits in a local bank of \$1,403,537.

Note 3 – Grants Receivable

As of June 30, 2010, grants receivable totaled \$51,861 which was a receivable for federal grants passed through the State of Louisiana. Grants receivable are considered fully collectible; therefore, management does not consider an allowance for doubtful accounts to be necessary.

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 4 – Concentrations

The School received approximately 76% of its total revenues from Federal and State grantors.

The School maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, these accounts exceeded the federally insured limits.

As noted earlier, the School is leasing its building from the Louisiana Recovery School District rent free. Should this lease not be extended, it may have an unfavorable impact on the School.

Note 5 - Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although the School expects any such amounts to be immaterial.

Note 6 – Retirement Plan

The School provides a 403(b) plan for all regular full-time employees who are 21 years of age or older. An employee becomes eligible to participate in the plan on the first day of the month following the date of hire. Contributions to the plan are made by way of pre-tax salary deferrals and are made at the sole discretion of the employee up to the maximum amount allowed by federal law. The School will make a matching contribution equal to 4% of salary, and all employees are immediately vested. For the period ended June 30, 2010, the School recorded retirement contributions in the amount of \$73,741.

Note 7 – Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 8 – Board Member's Compensation

Board members are not compensated for their service; therefore a schedule of board members and compensation is not presented.

Note 9 - Leases:

The School leases its two copiers under a lease with Xerox. The lease was renewed on September 23, 2008 and extends through September 23, 2013.

Total lease expense amounted to \$ 11,190 for the year ended June 30, 2010.

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 9 – Leases (continued):

The minimum future lease payments under the above lease are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2011	\$ 11,190
June 30, 2012	11,190
June 30, 2013	11,190
June 30, 2014	<u>2,798</u>
Total	\$ <u>36,368</u>

Note 10 – Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 23, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 11 – Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes or periods:

Periods after June 30, 2010	\$ 488,342
Specific purpose grant	<u>50,000</u>
Temporarily restricted net assets	<u>\$ 538,342</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Walton Family Foundation	\$ 465,380
Baptist Community Ministries	22,684
New Schools for New Orleans	102,327
Reily Foundation	20,000
Kellogg Foundation	150,000
Institute of Mental Hygiene	166,750
GPOA	10,000
Selley Foundation	15,000
Grand Haven Area Community Foundation	15,000
Rosamary Foundation	25,000
Entergy Foundation	<u>13,600</u>
Total restrictions released	<u>\$1,005,741</u>

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 12 – Uncertain Income Taxes:

On July 1, 2009, the School adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASC ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities.

The School's 2007 and 2008 tax returns have been filed appropriately. As of December 23, 2010, the School has been approved for an extension to file their 2009 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2007 and 2008. 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 the provisions of this guidance.

Note 13 – Property and Equipment:

Depreciation expense for the year ended June 30, 2010 was \$2,722. Depreciation is calculated using the straight line method with useful lives of 5 years.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were acquired. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, any assets purchased with those funds will revert back to the State of Louisiana.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
United States Department of Education		
(Passed through the Louisiana Department of Education)		
Special Education Cluster (IDEA)		
Special Education Grant - Grants to States	84.027	\$ 77,636
Special Education Grant - Grants to States, Recovery Act	84.391	110,740
Total Special Education Cluster (IDEA)		<u>188,376</u>
 State Fiscal Stabilization Fund - Education State Grants, Recovery Act *	 84.394	 <u>17,304</u>
 Title I, Part A Cluster		
Title I Grants to Local Educational Agencies *	84.010	446,098
Title I Grants to Local Educational Agencies, Recovery Act *	84.389	6,762
Total Title I, Part A Cluster		<u>452,860</u>
 Charter Schools Grant	 84.282	 256,365
Improving Teacher Quality State Grants	84.367	<u>24,674</u>
 Total United States Department of Education		 <u>\$ 939,579</u>
 Total Federal Financial Assistance		 <u>\$ 939,579</u>

* Major program.

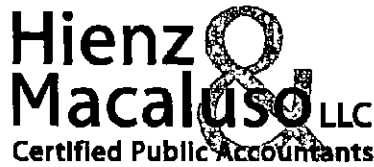
Notes to the Schedule of Expenditures of Federal Awards

Note A- Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New Orleans College Preparatory Academies (New Orleans College Prep) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B - Sub-recipients:

New Orleans College Prep has not provided federal awards to sub-recipients.



**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**

The Board of Directors
New Orleans College Preparatory Academies

We have audited the financial statements of New Orleans College Preparatory Academies (the School) as of and for the period ended June 30, 2010, and have issued our report thereon dated December 23, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

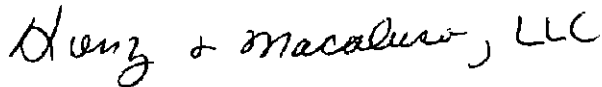
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under *Government Auditing Standards*.

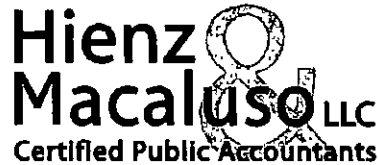
This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under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

A handwritten signature in black ink that reads "Hienz & Macaluso, LLC". The signature is written in a cursive, flowing style.

HIENZ & MACALUSO, LLC

METAIRIE, LA

December 23, 2010



**Independent Auditor's Report on Compliance with Requirements
Applicable to each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133**

To the Board of Directors of
New Orleans College Preparatory Academies

Compliance

We have audited the compliance of New Orleans College Preparatory Academies (a nonprofit corporation) (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

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 School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

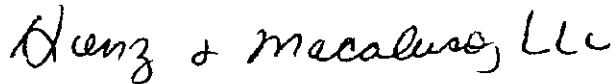
The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



HIENZ & MACALUSO, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Metairie, LA
December 23, 2010

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of New Orleans College Preparatory Academies.
2. No control deficiencies were disclosed during the audit of the financial statements of *New Orleans College Preparatory Academies*.
3. No instances of noncompliance material to the financial statements of New Orleans College Preparatory Academies were disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal programs for New Orleans College Preparatory Academies expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

	<u>CFDA Number</u>
State Fiscal Stabilization Fund – Recovery Act	84.394
Title I Grants to Local Educational Agencies	84.010
Title I Grants to Local Educational Agencies, Recovery Act	84.389

8. The threshold for distinguishing Type A and Type B programs was \$300,000.
9. New Orleans College Preparatory Academies was determined to not be a low-risk auditee.

B. Financial Statement Findings and Questioned Costs

There were no financial statement findings or questioned costs for the year ended June 30, 2010.

C. Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2010.

D. Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
SCHEDULE OF PRIOR PERIOD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

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

There were no current year findings.

Section II – Internal Control and Compliance Material to Federal Awards:

There were no current year findings.

Section III - Management Letter:

A management letter was not issued in connection with the audit for the year ended June 30, 2009.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2010**

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

There were no current year findings.

Section II – Internal Control and Compliance Material to Federal Awards:

There were no current year findings.

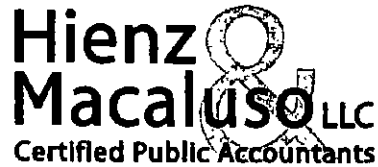
Section III - Management Letter:

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2010**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
New Orleans College Preparatory Academies

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of New Orleans College Preparatory Academies (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data 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). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *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 related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

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 reported on the schedule:

❖ Total General Fund Instructional Expenditures;

- ❖ Total General Fund Equipment Expenditures;
- ❖ Total Local Taxation Revenues;
- ❖ Total Local Earnings on Investment in Real Property;
- ❖ Total State Revenue in Lieu of Taxes;
- ❖ Nonpublic Textbook Revenue; and
- ❖ Nonpublic Transportation Revenue.

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

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 the School's supporting payroll records as of October 1, 2009.

No differences were noted.

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.

No differences were noted. The School had two principals and no assistant principals.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2009 as reported on the schedule. We traced a random sample of 25 teachers and the principals to their respective personnel file and determined if their education level was properly classified on the schedule.

The education levels were properly reported.

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 of schools (only one school as reported in Schedule 3) and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences were noted.

Experience of Public 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, 2009 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

We noted no differences. Each of the individuals experience was properly classified on the schedule.

Public School Staff Data (Schedule 5)

7. We obtained a listing 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 their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

8. For all teachers, we recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

Class Size Characteristics (Schedule 6))

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

No differences were noted.

Louisiana Educational Assessment Program (LEAP) for The 21st Century (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.

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. Because this schedule only applies to grades ten and eleven, we did not obtain test scores as provided by the testing authority or reconcile scores as reported by the testing authority to scores reported in the schedule by the School.

This schedule was not-applicable for the School because the school did not have grades ten or eleven for the year ended June 30, 2010.

The 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 scores reported in the schedule by the School.

No differences were 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 use of management of New Orleans College Preparatory Academies, 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.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, LLC

Metairie, LA

December 23, 2010

Schedule 1**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES**
New Orleans, Louisiana**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2010****General Fund Instructional and Equipment Expenditures****General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$973,199	
Other Instructional Staff Activities	27,413	
Employee Benefits	326,825	
Purchased Professional and Technical Services	79,958	
Instructional Materials and Supplies	217,001	
Instructional Equipment	0	
Total Teacher and Student Interaction Activities		\$ 1,624,396

Other Instructional Activities		\$ 19,091
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Pupil Support Activities	177,303	
Less: Equipment for Pupil Support Activities	0	
Net Pupil Support Activities		\$ 177,303

Instructional Staff Services	211,417	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		\$ 211,417

School Administration	575,843	
Less: Equipment for School Administration	0	
Net School Administration		\$ 575,843

Total General Fund Instructional Expenditures		\$ 2,608,050
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Total General Fund Equipment Expenditures		\$ 2,722
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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	\$ -
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Nonpublic Transportation Revenue	\$ -
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NEW ORLEANS COLLEGE PREPARATORY ACADEMIES

New Orleans, Louisiana

Education Levels of Public School Staff

As of October 1, 2009

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	23	85%	7	88%				
Master's Degree	4	15%	1	13%	1	100%	1	100%
Master's Degree + 30								
Specialist in Education								
Ph. D. or Ed. D.								
Total	27	100%	8	100%	1	100%	1	100%

Schedule 3**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES**
New Orleans, Louisiana**Number and Type of Public Schools**
For the Year Ended June 30, 2010

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

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

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES**New Orleans, Louisiana****Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2009**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs	11-14 Yrs	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals								
Principals			1				1	2
Classroom Teachers	9	22	4					35
Total	9	22	5				1	37

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
New Orleans, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2010

	All Classroom Teachers	Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$48,063	\$48,063
Average Classroom Teachers' Salary Excluding Extra Compensation	\$48,063	\$48,063
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	34	34

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2009

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	13%	7	31%	17	56%	31		0
Elementary Activity Classes			12%	1	88%	7		
Middle/Jr. High	44%	47	38%	40	16%	17	2%	2
Middle/Jr. High Activity Classes	55%	10	17%	3	17%	3	11%	2
High								
High Activity Classes								
Combination								
Combination Activity Classes								

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES

New Orleans, Louisiana

Louisiana Educational Assessment Program (LEAP)

For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1%					2	2%				
Mastery	6	6%					3	3%				
Basic	41	44%					52	55%				
Approaching Basic	33	35%					17	18%				
Unsatisfactory	13	14%					20	21%				
Total	94	100%					94	100%				

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%					0	0%				
Mastery	8	9%					6	6%				
Basic	24	26%					45	48%				
Approaching Basic	43	46%					27	29%				
Unsatisfactory	19	20%					16	17%				
Total	94	100%					94	100%				

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES

New Orleans, Louisiana

Graduation Exit Examination (GEE)

For the Year Ended June 30, 2010

NOT APPLICABLE

[illegible][illegible]

Schedule 9

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES

New Orleans, Louisiana

IOWA and ILEAP Tests

For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	2	2%	0	0%	2	2%
Mastery	6	6%	3	3%	3	3%	10	11%
Basic	37	39%	32	34%	33	35%	44	46%
Approaching Basic	35	37%	11	12%	34	36%	25	26%
Unsatisfactory	17	18%	47	49%	25	26%	14	15%
Total	95	1	95	1	95	1	95	1

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	1	2%	1	2%	0	0%
Mastery	4	6%	7	11%	4	6%	5	8%
Basic	26	42%	35	56%	19	31%	31	50%
Approaching Basic	16	26%	6	10%	21	34%	21	34%
Unsatisfactory	16	26%	13	21%	17	27%	5	8%
Total	62	1	62	1	62	1	62	1

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	1	1%
Mastery	6	6%	6	6%	13	14%	16	17%
Basic	40	42%	54	57%	34	36%	45	47%
Approaching Basic	31	33%	14	15%	36	38%	27	28%
Unsatisfactory	18	19%	21	22%	12	13%	6	6%
Total	95	1	95	1	95	1	95	1

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	3	3%
Mastery	4	5%	4	5%	0	0%	4	5%
Basic	38	43%	34	39%	24	27%	14	16%
Approaching Basic	31	35%	20	23%	34	39%	31	36%
Unsatisfactory	15	17%	30	34%	30	34%	35	40%
Total	88	1	88	1	88	1	87	1

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1%	1	1%	0	0%	0	0%
Mastery	3	3%	6	7%	3	3%	4	4%
Basic	32	35%	44	48%	30	33%	41	45%
Approaching Basic	35	38%	22	24%	39	43%	31	34%
Unsatisfactory	20	22%	18	20%	19	21%	14	15%
Total	91	1	91	1	91	1	90	1

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				