



**Community Leaders
Advocating Student Success, Inc.
(d/b/a Fannie C. Williams Charter School)**

FINANCIAL REPORT

June 30, 2022



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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023, on our consideration of the 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 solely 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 effectiveness of the School's 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 School's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

January 3, 2023



FINANCIAL STATEMENTS



**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Statement of Financial Position**

<i>June 30,</i>	2022
Assets	
Current assets	
Cash and cash equivalents	\$ 4,920,661
Cash held for others - School Student Activity Fund	51,544
Grants receivable	536,809
Prepaid expenses	833
Total current assets	5,509,847
Noncurrent assets	
Deposits	23,694
Capital assets, net	124,395
Total non-current assets	148,089
Total assets	\$ 5,657,936
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 359,576
Accrued salaries	315,349
Payroll deductions and benefits payable	117,925
Deferred revenue	88,798
Deposits held for others - School Student Activity Fund	51,544
Total current liabilities	933,192
Total liabilities	933,192
Net assets	
Without donor restrictions	4,528,357
With donor restrictions	196,387
Total net assets	4,724,744
Total liabilities and net assets	\$ 5,657,936

The accompanying notes are an integral part of this financial statement.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Statement of Activities**

<i>For the Year Ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2022 Total
Revenue and Other Support			
Grants			
Federal	\$ 2,392,490	\$ 126,356	\$ 2,518,846
State	186,104	-	186,104
State Minimum Foundation Program	1,879,698	-	1,879,698
Local Minimum Foundation Program	2,415,955	-	2,415,955
Other revenues	848,384	-	848,384
Net assets released from restrictions	-	-	-
Total revenues and other support	7,722,631	126,356	7,848,987
Expenses			
Program services	5,200,840	-	5,200,840
Supporting services	1,642,681	-	1,642,681
Total expenses	6,843,521	-	6,843,521
Change in net assets	879,110	126,356	1,005,466
Net assets at beginning of year	3,649,247	70,031	3,719,278
Net Assets at end of year	\$ 4,528,357	\$ 196,387	\$ 4,724,744

The accompanying notes are an integral part of this financial statement.

Community Leaders Advocating Student Success, Inc.
b/b/a Fannie C. Williams Charter School
Statement Of Functional Expenses

<i>For the Year Ended June 30,</i>	Programs Services	Supporting Services Management and General	2022 Total
Salaries	\$ 2,650,926	\$ 861,766	\$ 3,512,692
Employee benefits	715,531	232,605	948,136
Other supplies	501,578	-	501,578
Transportation services	499,475	-	499,475
Professional services	244,833	91,235	336,068
Food services	260,992	-	260,992
Insurance	118,175	41,090	159,265
Other services	6,971	152,177	159,148
Utilities	115,735	40,242	155,977
Repairs and maintenance	72,601	25,244	97,845
Shared services	-	88,250	88,250
Depreciation	-	87,344	87,344
Equipment rental	13,217	13,217	26,434
Miscellaneous	230	8,935	9,165
Travel	576	576	1,152
Total	\$ 5,200,840	\$ 1,642,681	\$ 6,843,521

The accompanying notes are an integral part of this financial statement.

Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Statement of Cash Flows

<i>For the Year Ended June 30,</i>	2022
Operating Activities	
Change in net assets	\$ 1,005,466
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation expense	87,344
Changes in operating assets and liabilities	
Grants receivable	(237,121)
Accounts payable	355,849
Accrued salaries	(30,800)
Payroll deductions and benefits payable	(2,733)
Deferred revenue	77,458
Deposits held for others - School Student Activity Fund	(1,115)
Net cash provided by (used in) operating activities	1,254,348
Investing Activities	
Purchases of property and equipment	(111,152)
Net cash provided by (used in) investing activities	(111,152)
Net change in cash, cash equivalents, and restricted cash	1,143,196
Cash, cash equivalents, and restricted cash at beginning of year	3,829,009
Cash, cash equivalents, and restricted cash at end of year	\$ 4,972,205
Reconciliation to the Statement of Financial Position	
Cash and cash equivalents	\$ 4,920,661
Cash restricted	51,544
Total cash, cash equivalents, and restricted cash	\$ 4,972,205

The accompanying notes are an integral part of this financial statement.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 1: DESCRIPTION OF THE ORGANIZATION

Nature of the Organization

Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (the School) was organized as a non-profit corporation under the laws of the State of Louisiana on July 12, 2010. The School is organized exclusively for charitable and educational purposes. The School's purpose is to provide excellent educational opportunities and options for all children.

Effective May 11, 2011, the School entered into a Charter School Contract with the Louisiana State Board of Elementary Education (BESE) to operate a Type 5 public charter school in the Louisiana Recovery School District as defined in LSA RS 17:3992 and 3998. The Charter School Contract was granted for an initial term of five years and was to be terminated on June 30, 2016 contingent upon the results of the reporting requirements at the end of the third year. The Charter Contract was extended for six more years on July 1, 2016 by BESE who determined that the charter school is meeting the student, financial, and legal and contract standards, pursuant to Bulletin 126. During the 2018-2019 school year, the Charter School Contract was transferred and assumed by Orleans Parish School Board. There has been no change to the existing charter agreement, except the School was granted to operate a Type 3B charter school.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates that are particularly susceptible to significant change in the near term are related to allocation of expenses by function and the useful lives of capital assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. At June 30, 2022, management did not deem any receivables to be uncollectible; therefore no allowance was recorded.

Capital Assets

The School's policy is to capitalize equipment over \$1,000 with a useful life greater than one year. Lesser amounts are expensed. Purchased equipment is capitalized at cost. Donations of equipment are recorded as contributions at their estimated fair value. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets. Estimated useful life of equipment is 3 years.

Impairment of Long-Lived Assets

The School reviews long-lived assets, consisting of equipment, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The School determines recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2022.

Net Assets

The School reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the School, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. See Note 7 for net assets with donor restrictions details.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and NOLA Public Schools (NOLA-PS). For the year ended June 30, 2022, the School received \$1,879,698 from the State, and \$2,415,955 from NOLA-PS in MFP funding. For the year ended June 30, 2021, the School received \$4,454 from the State and \$5,725 from NOLA-PS per eligible student in attendance at the official pupil count date of October 1, 2021.

A portion of the School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contributions and donations are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Fundraising income are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, or when performance obligations are met. There was no fundraising income received during the year ended June 30, 2022.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue consists of a grant award received in advance that relates to services to be rendered in a future period and is deferred and recognized as revenue in the period earned.

Employee Retention Tax Credit

The CARES Act provides an employee retention tax credit (ERTC), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter.

The ERTC is considered a non-exchange transaction with a governmental entity and the School is recognizing revenue following the guidance under FASB ASC 958-605, government grant model. The School qualified for the tax credit under the CARES Act for the year ended June 30, 2022. During the fiscal year ended June 30, 2022, the School recorded \$735,568 related to the ERTC in other revenue on the statements of activities.

Functional Allocations of Expenses

Any costs related to program administration are functionally classified as supporting service expenses. Any costs related to activities that constitute direct conduct or direct supervision of program service are program expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the School.

The costs of providing the program and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. The majority of expenses are allocated based on actual time and effort. However, repairs and maintenance, utilities, and insurance require allocation based on the square footage of the building.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the School is exempt from taxes on income other than unrelated business income. The School had no unrelated business income for the year ended June 30, 2022.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The School utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2022, management believes the School has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 3, 2023. No other events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This change in accounting principal did not have a material impact on the financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the lease standard to annual period beginning after December 15, 2021. Early adoption is permitted.

The School elected not to early adopt the provisions of ASU 2016-02 for the year ended June 30, 2021. The School is currently evaluating the impact of the guidance on its financial statements.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The School has \$5,509,014 of financial assets available within one year of the statement of financial position date consisting of cash of \$4,972,205 and grants receivable of \$536,809. Financial assets of \$51,544 are restricted cash held for others and \$196,387 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The School has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management believes it has appropriate available financial resources as of June 30, 2022. As part of its liquidity management, the School maintains cash accounts at a local bank which pays interest on the balances maintained.

Note 4: FUNDS HELD ON BEHALF OF OTHERS (SCHOOL STUDENT ACTIVITY FUND)

The School acts as a custodian for student activity accounts. Funds held on behalf of these groups amounted to \$51,544 at June 30, 2022, and is reported as both an asset (cash held for others – school student activity fund) and a liability (deposits held for others – school student activity fund). Consequently, there is no effect on the School’s net assets.

Note 5: GRANTS RECEIVABLE

Grants receivable are deemed fully collectible by management and were comprised of the following as of June 30, 2022:

Federal – U.S. Department of Education		
Title I	\$	96,869
Title II A		6,645
Special Education - IDEA		40,327
Title III		1,734
MFP		30,616
Child Nutrition Program		45,223
LA 4 State		35,724
Redesign 1003a		25,854
ESSER II		92,192
ESSER III EB		56,242
ESSER III Formula		25,066
E-Rate- ECF Funding		80,317
<hr/>		
Total grants receivable	\$	536,809

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 6: CAPITAL ASSETS

Capital assets consisted of the following as of June 30, 2022:

Equipment	\$	395,736
Accumulated depreciation		(271,341)
<hr/>		
Total equipment, net	\$	124,395
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Depreciation expense was \$87,344 for the year ended June 30, 2022.

Note 7: NET ASSETS

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Net assets with donor restrictions at June 30, 2022 consisted of the following:

		2022
<hr/>		
Purpose restricted:		
Child Nutrition Program	\$	196,387
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Total	\$	196,387
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Note 8: CONCENTRATION OF CREDIT RISK

The School maintains its cash balances at a financial institutions located in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2022. At June 30, 2022, the School had \$4,752,791 in uninsured cash deposits. The School has not experienced any losses and does not have a policy for custodial credit risk.

Note 9: SIGNIFICANT CONCENTRATIONS

For the year ended June 30, 2022, the School received approximately 32% of its total revenue from federal sources and approximately 57% of its total revenue from state and local public school funds and other state and local sources.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 10: LEASE AND USE AGREEMENTS

Effective July 1, 2011, the School entered into an agreement with the Louisiana State Department of Education through its Recovery School District (RSD), which allows the School to use the school facilities and its contents located at 11755 Dwyer Road, New Orleans, Louisiana 70128. The agreement expired on June 30, 2022. The agreement with the Louisiana State Department of Education was extended for 3 more years as of July 1, 2022.

Alterations made by the School shall not diminish the value of the property at the time the alterations are approved. Any physical additions or improvements to the property will become property of the RSD. All assets purchased with public funds obtained from public sources will automatically revert to RSD at the time the charter school agreement is terminated.

The School must maintain records of all school property in compliance with RSD policy and shall update the School's property inventory quarterly. The School is responsible for repair and replacement of physical property. In addition, the School is responsible for and obligated to provide for routine maintenance and repairs such that the facilities and property are maintained in as good condition as when the right of use was acquired, excluding ordinary wear.

Use of the property is not recorded as an in-kind contribution from or related rent expense to RSD. The value of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

The School came under the authority of NOLA-PS Board effective for the 2018-2019 school year, however there has been no change to the existing charter or lease agreement as a result of this change.

Note 11: OPERATING LEASES

The School has an operating lease for office equipment. The lease for office equipment is year-to-year and expires on June 30th of each year. Total lease expense for office equipment for the year ended June 30, 2022 totaled \$26,434 and is reported as equipment rental in the statement of functional expenses.

Note 12: COMPENSATED ABSENCES

All employees are granted 10 days of personal leave per school year, which is paid time off from work. Personal leave may be used for vacation, illness (of employees or family members), or other personal reasons. Such leave, which is not used, shall lapse at year end.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to the Financial Statements**

Note 13: RETIREMENT PLAN

Substantially, all employees of the School are members of a safe harbor 403(b) Retirement Plan (the Plan). Covered employees may elect to contribute a portion of their salaries to the Plan. The School's contribution to the Plan is 100% of the participant's compensation up to 5% and an additional 2% for contributions exceeding 4% of the participant's compensation. The School made contributions of \$187,839 to the Plan for the year ended June 30, 2022, which are included in employee benefits in the statement of functional expenses.

Note 14: CONTINGENCIES

The School is the recipient of grant funds from various federal, state and local agencies. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of the School and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

State Funding – The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the NOLA-PS. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

At June 30, 2022, the School was not a defendant or co-defendant in any lawsuits arising from the normal course of operations.



SUPPLEMENTARY INFORMATION



**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule of Compensation, Benefits and Other Payments to Agency Head**

For the Year Ended June 30,

2022

Agency Head Name: Kelly Batiste, Principal/CEO

PURPOSE	AMOUNT
Salary	\$ 135,252
Benefits-Fica and Medicare	10,252
Benefits-health insurance	7,224
Benefits-retirement	9,468
Workers comp	889
Benefits-life insurance	23
Benefits-long term disability	687
Car allowance	-
Vehicle provided by government	-
Cell phone	1,056
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	17,766
Total	\$ 182,617

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

To the Board of Directors of
Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
New Orleans, 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 Community Leaders Advocating Student Success (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 3, 2023.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 3, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
New Orleans, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Community Leaders Advocating Student Success's (the School's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2022. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
January 3, 2023

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures (\$)	Total Federal Expenditures (\$)
<u>United States Dept. of Education/Louisiana Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	n/a	\$ 450,255	\$ 450,255
Title I Grants to Local Educational Agencies/School Redesign	84.010	n/a	118,601	118,601
<i>Total Title I Grants to Local Educational Agencies</i>			568,856	568,856
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	n/a	16,424	16,424
Higher Education Institutional Aid	84.031A	n/a	1,734	1,734
COVID-19 - Education Stabilization Fund/Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	n/a	9,600	9,600
COVID-19 - Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund	84.425D	n/a	1,244,072	1,244,072
<i>Total Education Stabilization Fund</i>			1,253,672	1,253,672
<u>United States Dept. of Education/Louisiana Department of Education/Special Education Cluster</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	n/a	133,483	133,483
Special Education - High Cost Services	84.027A	n/a	7,256	7,256
Special Education - Preschool Grants	84.173	n/a	34	34
<i>Total Special Education Cluster</i>			140,773	140,773
<i>Total United States Department of Education</i>			1,981,459	1,981,459
<u>United States Dept. of Federal Communications Commission</u>				
COVID-19 Emergency Connectivity Fund Program	32.009	n/a	84,347	84,347
<i>Total United States Department of Federal Communications Commission</i>			84,347	84,347
<u>United States Dept. of Agriculture/Louisiana Department of Education/Child Nutrition Cluster</u>				
National School Lunch Program	10.555	n/a	199,690	199,690
National School Lunch Program/Supply Chain Assistance	10.555	n/a	14,195	14,195
School Breakfast Program	10.553	n/a	112,799	112,799
<i>Total Child Nutrition Cluster</i>			326,684	326,684
<i>Total United States Department of Agriculture</i>			326,684	326,684
Total Expenditures of Federal Awards			\$ 2,392,490	\$ 2,392,490

* Community Leaders Advocating Student Success, Inc. d/b/a Fannie Williams Charter School did not pass-through any amounts to Subrecipients.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the revenues from federal awards of the School as defined in Note 1 to the School's basic financial statements. All federal awards were received directly from federal agencies and are included on the Schedule, as well as federal assistance passed through government agencies.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The School has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the School's basic financial statements as federal grants.

Note 4: LOANS

The School did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2022.

Note 5: FEDERALLY FUNDED INSURANCE

The School had no federally funded insurance for the year ended June 30, 2022.

Note 6: NONCASH ASSISTANCE

The School did not receive any federal noncash assistance for the year ended June 30, 2022.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Section I – Summary of Auditors' Results

Financial Statements

- | | | |
|----|---|------------|
| 1. | Type of auditors' report issued | Unmodified |
| 2. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. | Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | | |
|----|---|------------|
| 1. | Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. | Internal control over major programs: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No |

4. Identification of major programs

Assistance Listing Number	Federal Program
84.425D	Education Stabilization Fund – Elementary and Secondary School Emergency Relief Fund

- | | | |
|----|---|-----------|
| 5. | Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. | Auditee qualified as low-risk under 2CFR 200.520 | No |

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Section II – Financial Statements Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Section IV – Management Letter

No management letter was issued.

Section V - Summary Schedule of Prior Audit Findings

No findings noted.



**Community Leaders
Advocating Student Success, Inc.
(d/b/a Fannie C. Williams Charter School)**

BESE AGREED-UPON PROCEDURES REPORT

June 30, 2022



Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, LA 70005

504.837.9116
504.837.0123 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Community Leaders Advocating Student Success, Inc. (a nonprofit organization) (CLASS) for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious error and omissions, in compliance with Louisiana Revised Statute 24:514 I. CLASS's management is responsible for the performance and statistical data.

CLASS has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

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

1. We will select a sample of 25 transactions, review supporting documentation, and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Results: No exceptions noted in performing this procedure.

Class Size Characteristics (Schedule 2)

2. We will obtain a list of classes by school, school type, and class size as reported on the schedule. We will then trace a sample of 10 classes to the October 1st roll books for those classes and observe that the class was properly classified on the schedule.

Results: Exceptions noted. Four (4) out of the ten (10) class sizes per the EdLink report did not match the roster size per the report provided by management.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We will obtain October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: Exceptions noted. Three (3) of twenty-five (25) individuals' educational levels were not reported correctly. Nine (9) of twenty-five (25) individuals' experience were not reported correctly.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: Exceptions noted. Two (2) of twenty-five (25) individuals' salary were incorrectly reported on the June 30, 2022 EdLink 360 Report data.

We were engaged by CLASS to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CLASS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Community Leaders Advocating Student Success, Inc., as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

January 3, 2023

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule 1 - General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2022**

General Fund Instructional and Equipment Expenditures

Teacher and student interaction activities:		
Classroom teacher salaries	\$	1,264,928
Other instructional staff activities		421,666
Instructional Staff Employee benefits		542,228
Purchased professional and technical services		38,650
Instructional materials and supplies		13,337
Less instructional equipment		-
Total teacher and student interaction activities	\$	2,280,809
Other instructional activities		102,095
		102,095
Pupil support activities	\$	217,194
Less equipment for pupil support activities		-
Net pupil support activities		217,194
Instructional Staff Services	\$	287,045
Less equipment for instructional staff services		-
Net instructional staff services		287,045
School Administration	\$	626,965
Less: Equipment for School Administration		-
Net School Administration		626,965
Total general fund instructional expenditures	\$	3,514,108
Total general fund equipment expenditures		\$ -

*Remainder of the BESE Schedule I does not apply to the School.

See independent accountants' report on applying agreed-upon procedures.

**Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
Schedule 2 - Class Size Characteristics
For the Year Ended June 30, 2022**

As of October 1, 2021

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	44%	48	51%	56	5%	6	0%	-
Elementary Activity Classes	44%	18	51%	21	5%	2	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

See independent accountants' report on applying agreed-upon procedures.

**Community Leaders Advocating
Student Success, Inc.
(d/b/a Fannie C. Williams Charter School)**

11755 Dwyer Road, New Orleans, LA 70128

January 3, 2023

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
Community Leaders Advocating Student Success d/b/a Fannie C. Williams Charter School

Dear Sirs:

Community Leaders Advocating Student Success will review policies and procedures in regard to the comments for each schedule of performance and statistical data and make appropriate changes that will improve reporting on each schedule of performance and statistical data that are cost effective and within our budget constraints.

Sincerely,



Kelly Batiste
Principal, CEO



**Community Leaders
Advocating Student Success, Inc.
(d/b/a Fannie C. Williams Charter School)**

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2022



Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, LA 70005

504.837.9116
504.837.0123 (fax)
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Community Leaders Advocating Student Success, Inc.
d/b/a Fannie C. Williams Charter School
and the Louisiana Legislative Auditor
11755 Dwyer Road
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School's management is responsible for those C/C areas identified in the SAUPs.

Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School (the School) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the School's written policies and procedures and observe whether they address each of the following category and subcategories if applicable to public funds and the School's operations:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were found as a result of applying the procedure.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Results: No exceptions were found as a result of applying the procedure.

- c) **Disbursements**, including processing, reviewing, and approving.

Results: No exceptions were found as a result of applying the procedure.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No exceptions were found as a result of applying the procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were found as a result of applying the procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: No exceptions were found as a result of applying the procedure.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: No exceptions were found as a result of applying the procedure.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were found as a result of applying the procedure.

- i) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: Exception noted. There are no written policies and procedures for the following: (4) use of antivirus software on all systems.

Board

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were found as a result of applying the procedure.

- b) Observe that the minutes referenced or included financial activity relating to public funds comprised more than 10% of the School's collections during the fiscal period.

Results: No exceptions were found as a result of applying the procedure.

Bank Reconciliations

- 3. Obtain a listing of School bank accounts for the fiscal period from management and management's representation that the listing was complete. Ask management to identify the School's main operating account. Select the School's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initiated and dated or electronically logged);

Results: No exceptions were found as a result of applying the procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initiated and dated, electronically logged); and

Results: No exceptions were found as a result of applying the procedure.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the procedure.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions were found as a result of applying the procedure.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Results: No exceptions were found as a result of applying the procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Results: No exceptions were found as a result of applying the procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results: No exceptions were found as a result of applying the procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the procedure.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were found as a result of applying the procedure.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the procedure.

- b) Trace sequentially pre-numbered receipts, systems reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository was more than 10 miles from the collection location or the deposit was less than \$100 and the cash is stored securely in a locked safe or drawer.)

Results: Exceptions noted. One of the two deposit selected was not made within one business day of receipt at the collection location.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions were found as a result of applying the procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results: No exceptions were found as a result of applying the procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

Results: No exceptions were found as a result of applying the procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Results: No exceptions were found as a result of applying the procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: No exceptions were found as a result of applying the procedure.

10. For each location selected under #8 above, obtain the School's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the School.

Results: No exceptions were found as a result of applying the procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were found as a result of applying the procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Results: Exception noted. For one of the debit cards tested, the monthly statement was not reviewed by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of applying the procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: No exceptions were found as a result of applying the procedure.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: No exceptions were found as a result of applying the procedure.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were found as a result of applying the procedure.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: No exceptions were found as a result of applying the procedure.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: No exceptions were found as a result of applying the procedure.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: No exceptions were found as a result of applying the procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

Payroll and Personnel

16. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of applying the procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: No exceptions were found as a result of applying the procedure.

b) Observe whether supervisors approved the attendance and leave of the selected employees.

Results: No exceptions were found as a result of applying the procedure.

c) Observe any leave accrued or taken during the pay period is reflected in the School's cumulative leave records.

Results: No exceptions were found as a result of applying the procedure.

d) Observe the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the procedure.

18. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the School's policy on termination payments. Agree the hours to the employee's cumulative leave records, agree the pay rates to the employee's authorized pay rates in the employee's personnel files, and agree the termination payment to School policy.

Results: No exceptions were found as a result of applying the procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedure.

Fraud Notice

20. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the School reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the School is domiciled.

Results: No exceptions were found as a result of applying the procedure.

21. Observe the School has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the procedure.

Information Technology Disaster Recovery/Business Continuity

22. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the School’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the School’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- c) Obtain a listing of the School’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

We were engaged by Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion of conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our agreed-upon procedures engagement.

The report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
January 3, 2023

**Community Leaders Advocating
Student Success, Inc.
(d/b/a Fannie C. Williams Charter School)**

11755 Dwyer Road, New Orleans, LA 70128

January 3, 2023

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School

Dear Sirs:

Community Leaders Advocating Student Success, Inc. d/b/a Fannie C. Williams Charter School will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Batiste". The signature is fluid and cursive, with the first name "Kelly" being more prominent than the last name "Batiste".

Kelly Batiste, CFO/Principal