



F.A.M.E., Inc.

Finance Committee Meeting

Date and Time

Wednesday May 16, 2018 at 5:30 PM CDT

Location

428 Broadway Street

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:30 PM
Opening Items			
A. Record Attendance and Guests		Calvin Tregre	5 m
B. Call the Meeting to Order		Calvin Tregre	5 m
Approval of the Agenda			
C. Approve Minutes	Approve Minutes	Calvin Tregre	5 m
II. Finance			5:45 PM
Finance			
A. Update and Discussion of the Gentilly Financing	Discuss	Justin Anderson	15 m
Review of the Gentilly Financing plan with updates regarding terms			

	Purpose	Presenter	Time
B. Contracts for Board Consideration	Discuss	Alisa Dupre	20 m

Consideration of the following renewal of contracts for recommendation to the full board:

- Brans Pest Control (Pest Control)
- Ground Force (Grounds Maintenance)
- Contract Addendum with Empire (Building Maintenance for Gentilly campus)
- LaPorte CPAs (Completion of 990s)

Consideration of the following contract for recommendation to the full board:

- Transportation contract TBD based on results of RFP process

C. Financial Reports for the Month of April 2018	Discuss	Justin Anderson	15 m
D. Update on Draft of 2018-2019 Budget	Discuss	Justin Anderson	20 m
E. Review of the Financial Policies and Procedures	Discuss	Justin Anderson	30 m
F. Discussion on Workflow and Concerns of the Committee Meeting	Discuss	Calvin Tregre	15 m
G. Public Comments	FYI	Calvin Tregre	10 m

III. Closing Items

7:50 PM

A. Adjourn Meeting	Vote	Calvin Tregre	5 m
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Coversheet

Update and Discussion of the Gentilly Financing

Section:	II. Finance
Item:	A. Update and Discussion of the Gentilly Financing
Purpose:	Discuss
Submitted by:	
Related Material:	French and Montessori Edu.- Commitment Letter.pdf



228 St. Charles Avenue, New Orleans 70130
(504) 586-7139 Fax: (504) 586-3409
E-mail: dennis.jack@hancockwhitney.com

May 15, 2017

French and Montessori Education Inc. d/b/a Audubon
Charter School New Orleans, LA
428 Broadway St.
New Orleans, LA 70118

RE: Proposed Loan Facilities

Dear French and Montessori Education Inc. Board:

Hancock Whitney Bank ("Bank") is pleased to extend this financing commitment to French and Montessori Education Inc. d/b/a Audubon Charter School New Orleans, LA ("Borrower"). This loan is subject to the execution of satisfactory loan documents containing certain terms and conditions including the following

Facility A

Borrower:	French and Montessori Education Inc. d/b/a Audubon Charter School New Orleans, LA
Type of Loan(s):	Non-Revolving Construction Line of Credit to convert to Term Loan
Amount of Loan:	80% of total project cost, not to exceed \$4,800,000; the 80% will be calculated on a per phase basis
Use of Proceeds:	To finance capital improvements to the building located at 4721 Painters St., New Orleans, LA 70122
Interest Rate:	WSJP floating (6% ceiling); adjustable monthly (interest only period), 4.59% fixed (during term-out period), maturity 120 months from closing
Payment Terms:	Interest only for the first 24 months; monthly payments will be based on outstanding balance of loan. At month 25, payments will convert to monthly principal and interested payments based on a 240 month amortization.
Fees:	Commitment Fee- Waived



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Collateral: 1st Mortgage on Leasehold Improvements at the property located at 4721 Painters St., New Orleans, LA 70122 & UCC-1 on furniture fixtures and equipment on 4721 Painters St., New Orleans, LA 70122

Pre-payment Penalty: 5% / 4% / 3% / 2% / and 2% of outstanding principal for years 1-5 respectively

Facility B:

Type of Loan(s): Line of Credit

Amount of Loan: \$300,000

Use of Proceeds: To finance short-term cash flow needs

Interest Rate: WSJP, floating; adjustable monthly

Maturity: 60 months from closing

Payment Terms: Monthly interest only payments

Collateral: UCC-1 Accounts Receivable of French and Montessori Education Inc. d/b/a Audubon Charter School New Orleans, LA

Facilities A & B

Financial Statements: Company-prepared financial statements to be provided quarterly additionally, audited year-end statements to be provided annually by French and Montessori Education Inc.

Financial Covenants: All financial covenants will be based on the financials statements of French and Montessori Education Inc.

Must maintain a Debt Service Coverage ratio of 1.5x which will be monitored semi-annually.

Other Conditions:

1. French and Montessori Education Inc. will transfer and maintain main operating account(s) at Whitney Bank.
2. By accepting this commitment Borrower agrees to pay



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E-mail: dennis.jack@hancockwhitney.com

or reimburse Whitney, for all of the reasonable costs, expenses, and fees incurred in connection with the preparation of the Loan Documents, including, without limitation, all legal fees, the cost for necessary lien searches, corporate packages, surveys, appraisals, environmental evaluations on real estate pledged as collateral, etc.

3. Construction advances to be processed according to Bank's standard procedures of this type of project including but not limited to; review of payment, plans and specs., cost budget, all construction contracts, permit and zoning docs., architect and engineers contracts etc all to be reviewed and found acceptable to Bank
5. Maintain in effect insurance including all risk property insurance and flood insurance naming Whitney Bank as lender loss payee.
4. Bank must have received, reviewed and approved all other funding sources for the project which must be satisfactory to the Bank

We may terminate this commitment if (a) Borrower fails or refuses to comply with any of its provisions, (b) any material information submitted or communicated by any person to Whitney in connections with the Loan is inaccurate or misleading, or (c) in our opinion, there has been any material adverse change in your business operation or financial condition or any other facts, circumstances or conditions which we have considered in deciding to make the Loan.

No condition or other term of this commitment may be waived or modified without a written document signed by both Borrower and Whitney. No party other than Borrower shall be entitled to rely on this commitment. This commitment is not assignable. In no event shall either Borrower or Whitney be liable to the other for indirect, special, or consequential damages, including loss of profits. This commitment and the loan transaction are governed by Louisiana law.

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Provided all conditions of this commitment have been met to Whitney's satisfaction, and further provided that subsequent to Borrower's acceptance of this commitment, Whitney and Borrower do not execute a loan agreement in conjunction with the Loan (or any substitute, replacement of refinancing of the Loan), then, the terms and conditions of this commitment shall govern the Loan, as well as any substitute, replacement or refinancing of the Loan, and all representations, warranties and covenants set forth herein shall survive the making of the Loan and shall be continuing thereafter, and Borrower's violation of or failure to comply fully with any of the terms and conditions hereof shall be considered an event of default under the Loan Documents.

If we may be of further assistance, please contact me at (504) 586-7139.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis L. Jack Jr.", written over a horizontal line.

Dennis L. Jack Jr.
Relationship Manager/ Banking Officer

Erica A. Murray, Ph.D.
French and Montessori Education Inc., Board Chair

Coversheet

Contracts for Board Consideration

Section:	II. Finance
Item:	B. Contracts for Board Consideration
Purpose:	Discuss
Submitted by:	
Related Material:	Brans Pest Control (Broadway).docx Empire Amendment.pdf Brans Pest Control (Milan).docx Ground Force (Gentilly).pdf Ground Force (Broadway & Milan).pdf LaPorte CPA.pdf



901 Edwards, Suite 600
Harahan, LA 70121
504-293-4766
Fax 504-293-4768

2018 PEST CONTROL SERVICE AGREEMENT BETWEEN FRENCH AND MONTESSORI EDUCATION, INC dba AUDUBON CHARTER SCHOOL AT 428 BROADWAY AND BRANS PEST CONTROL, LLC

- 1.) Brans Pest Control, LLC agrees to provide pest control services to Audubon Charter School.
- 2.) Brans Pest Control, LLC will provide service at least once per month. Extra service for the covered pests will be provided at no additional charge.
- 3.) Audubon agrees to make the place of service available for treatment and/or inspection as often as necessary to control covered pests.
- 4.) If necessary, Audubon will repair the building in the event Brans Pest Control, LLC finds that an infestation is a result of a construction flaw. The repairs will be done in a timely fashion. If not repaired and infestation continues, Brans Pest Control, LLC will repair and bill for the work.
- 5.) Pests covered under this agreement include roaches, ants, silverfish, spiders (excluding Brown Recluse, Black and Brown Widow), rodents, wasps and other occasional invaders.
- 6.) This agreement shall be valid for twelve (12) months. Contract start date is July 1, 2017
- 7.) After the initial twelve (12) months, this agreement may be cancelled by either party giving thirty (30) days written notice to the other party.
- 8.) This agreement does not provide for the repair of present or future damages to the service address (es), nor does it provide reimbursement for repair expenses allegedly arising from pest infestations.
- 9.) In entering this agreement, customer waives all claims for damages to property or injuries to persons, which may result directly, or indirectly from work performed by the company.
- 10.) This agreement does not include service for termites or other wood destroying insects or organisms, nor does it provide for damages arising from the infestation of the same.
- 11.) Payment is expected within 30 days of the service. At the discretion of Brans Pest Control, LLC, there will be a late charge fee applied at a rate of \$10.00 per thirty (30) days.

The price for monthly pest control service is \$230.00 per month.

Authorized Company (Brans Pest Control) Signature

Date

Authorized Customer Signature (Audubon Charter)

Date

Amendment #2

to

Maintenance and HVAC O & M Service Agreement

Audubon Charter-French and Montessori Education, Inc., and Empire Janitorial Sales & Services LLC, a Louisiana limited liability company, agree to the following Contract change of the Maintenance and HVAC O & M Service Agreement dated July 01, 2016:

➤ Contract Addition:

This Contract addition covers the addition of the Audubon School Gentilly located at 4720 Painters St., New Orleans LA 70122. The contract addition monthly fee will be \$1,597.77 as follows:

- i. One semi skilled maintenance employee working two (2) days at eight (8) hours each day (excluding Saturday and Sunday) from the hours of 7:00 am until 3:30 pm.
- ii. Should Overtime be requested by Audubon Charter-French and Montessori Education Inc. this time will be billable at \$23.66 per man hour.
- iii. Maintenance supplies up to \$500.00 per month, thereafter the maintenance supplies will be billed back to Audubon Charter Gentilly at our cost plus eighteen (18%)

In all other respects, the terms of the original Service Agreement shall remain in effect. If there is a conflict between this Addendum #2 and the original Service Agreement the terms of the Service Agreement will prevail.

Audubon Charter School
French and Montessori Education, Inc.
1111 Milan St.
New Orleans, Louisiana 70115

Empire Janitorial Sales & Services LLC
1820 L & A Road
Metairie, Louisiana 70001

Dated: May 15, 2018

Dated: May 15, 2018

By: _____
Dr. Erica A. Murray
Board Chairman

By: _____
Al Hilton
Chief Executive Officer



901 Edwards, Suite 600
Harahan, LA 70121
504-293-4766
Fax 504-293-4768

2018 PEST CONTROL SERVICE AGREEMENT BETWEEN AUDUBON UPPER SCHOOL 1111 MILAN ST AND BRANS PEST CONTROL, LLC

- 1.) Brans Pest Control, LLC agrees to provide pest control services to Audubon Upper School.
- 2.) Brans Pest Control, LLC will provide service at least once per month. Extra service for the covered pests will be provided at no additional charge.
- 3.) Audubon Charter School agrees to make the place of service available for treatment and/or inspection as often as necessary to control covered pests.
- 4.) If necessary, Audubon Charter School will repair the building in the event Brans Pest Control, LLC finds that an infestation is a result of a construction flaw. The repairs will be done in a timely fashion. If not repaired and infestation continues, Brans Pest Control, LLC will repair and bill for the work.
- 5.) Pests covered under this agreement include roaches, ants, silverfish, spiders (excluding Brown Recluse, Black and Brown Widow), rodents, wasps and other occasional invaders.
- 6.) This agreement shall be valid for twelve (12) months. Contract start date is July 1, 2017
- 7.) After the initial twelve (12) months, this agreement may be cancelled by either party giving thirty (30) days written notice to the other party.
- 8.) This agreement does not provide for the repair of present or future damages to the service address (es), nor does it provide reimbursement for repair expenses allegedly arising from pest infestations.
- 9.) In entering this agreement, customer waives all claims for damages to property or injuries to persons, which may result directly, or indirectly from work performed by the company.
- 10.) This agreement does not include service for termites or other wood destroying insects or organisms, nor does it provide for damages arising from the infestation of the same.
- 11.) Payment is expected within 30 days of the service. At the discretion of Brans Pest Control, LLC, there will be a late charge fee applied at a rate of \$10.00 per thirty (30) days.

The price for monthly pest control service is \$195.00 per month.

Authorized Company Signature

Date

Authorized Customer Signature

Date

Ground Force, LLC

3815 State Street Drive, New Orleans, LA 70125

Phone: (504) 717-6805

LA Horticulture License #09-93571

LA Chemical Applicator License #00105083

Alisa Dupre /Audubon Charter School (504) 717- 6255

4720 Painters Street

Wednesday, April 18, 2018

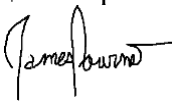
Service: Grounds Management
 Location: 4720 Painters Street, New Orleans LA
 Cost: \$450 Average Per Service
 Monthly Average: \$1200 per Month
 Annual Cost: \$14400 (7-1-18 to 7-1-19)

Scope of Work to Include:

- Removing incidental litter and small trash
- Grass cutting
- Weed-eating
- Blowing all outdoor surface areas
- Edging around sidewalks
- Pruning all trees and bushes under ten feet in height
- Clearing drains of debris and leaves
- Keeping curbsides clear of debris and leaves

Ground Force, LLC contractors shall furnish, at its expense, all labor, equipment, and insurances required under law. Contractors shall also use work practices to protect the safety of grounds, vegetation, and general surroundings.

Ground Force, LLC prefers to cut on a flexible date agreed upon between the client and contractor. Any special events needing a fresh cut only need to be coordinated in advance. Services will be invoiced monthly at **\$1200** per month or **\$450 per cut**.



James Fournet, Ground Force, LLC

Date:

Alisa Dupre, Audubon Charter School

Date:

Ground Force, LLC

3815 State Street Drive, New Orleans, LA 70125

Phone: (504) 717-6805

LA Horticulture License #09-93571

LA Chemical Applicator License #00105083

Alisa Dupre /Audubon Charter School (504) 717- 6255

428 Broadway Street / 1111 Milan Street

Wednesday, April 18, 2018

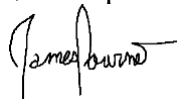
Service: Grounds Management
 Location: 428 Broadway Street/ 1111 Milan Street (Both Schools)
 Service Cycle: 32 Cuts Contract.
 Cost: \$400 Average Per Service
 Monthly Average: \$1066 per Month
 Annual Cost: \$12800 (7-1-18 to 7-1-19)

Scope of Work to Include:

- Removing incidental litter and small trash
- Grass cutting
- Weed-eating
- Blowing all outdoor surface areas
- Edging around sidewalks
- Pruning all trees and bushes under ten feet in height
- Clearing drains of debris and leaves
- Keeping curbsides clear of debris and leaves

Ground Force, LLC contractors shall furnish, at its expense, all labor, equipment, and insurances required under law. Contractors shall also use work practices to protect the safety of grounds, vegetation, and general surroundings.

Ground Force, LLC prefers to cut on a flexible date agreed upon between the client and contractor. Any special events needing a fresh cut only need to be coordinated in advance. Services will be invoiced monthly at **\$1066 per month or \$400 per cut.**



James Fournet, Ground Force, LLC

Date:

Alisa Dupre, Audubon Charter School

Date:



LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

May 4, 2018

Derek D. Bardell
French and Montessori Education Inc.
d/b/a Audubon Charter School
428 Broadway Street
New Orleans, LA 70118

Dear Mr. Bardell:

This letter and the attached Terms, Conditions and Limitations confirm and specify our understanding concerning the tax preparation services that LaPorte, A Professional Accounting Corporation (we or us) will perform for **French and Montessori Education Inc. d/b/a Audubon Charter School** (you) for the year ending **June 30, 2018**. Please review this letter and the attached Terms, Conditions and Limitations, sign a copy of this letter where indicated below and return the signed letter to us. If you have questions concerning this letter or the attached Terms, Conditions and Limitations, please contact us.

Tax Return Preparation Services

We will prepare your 990, Return of Organization Exempt from Income Tax, plus additional tax returns, if any, that we have specified in the "Schedule of Additional Tax Returns to be Prepared" at the end of this letter.

We will advise you if we believe, based on the information that you provide us, that an income or franchise tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional state(s), such as the acquisition of property or the hiring of employees in a new state. Activities of a partnership, LLC, trust or other pass-through entity in which you are an owner or beneficiary may also trigger additional state tax filings, so please contact us if you have acquired an interest in a new pass-through entity over the past year.

U.S. citizens and U.S. residents who are officers, directors or shareholders in certain foreign corporations may be required to attach Form 5471, *Information Return of U.S. Persons With Respect To Certain Foreign Corporations*, to a Federal income tax return. Based upon information previously provided to us, we do not expect to prepare Form 5471 in connection with your Federal income tax return. If we subsequently determine that one or more Form(s) 5471 should be attached to your return, we will discuss this determination with you. Preparation or review of Form(s) 5471 would increase the fees for tax return preparation described below.

If we determine that you are eligible for any tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and any related considerations to permit you to decide whether to take advantage of the tax benefit. Your eligibility for certain tax benefits will in some cases depend on the existence of certain documentation and may require tax research beyond the scope of tax return preparation services. There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of services of this arrangement letter. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services.

LOUISIANA • TEXAS

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with generally accepted accounting principles. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements. Tax return preparation services do not constitute accounting or auditing services and are not designed to disclose defalcations or other irregularities, should any exist. Conversely, financial statement audits and reviews are not designed or intended to examine or address every potential income or franchise tax issue. In addition, certain potential adjustments that are deemed immaterial for financial statement reporting purposes may be required for tax reporting purposes. You have not engaged us to detect fraud, nor can you expect us to detect fraud. Please contact us if you would like us to review any specific financial statement items for compliance with applicable tax laws.

In the course of preparing tax returns, we may prepare schedules or perform accounting work as we deem necessary to prepare your returns in accordance with applicable law and professional standards. These schedules and accounting work are solely for the support of our tax return services, and may not be appropriate for financial statement or other purposes.

Under Internal Revenue Code standards for all paid tax return preparers, it may be necessary in some cases to attach an additional disclosure to a tax return for a practitioner to prepare and sign a return. The disclosure may in some cases reduce the taxpayer's risk of penalties attributable to a substantial understatement. If we identify any positions on your returns that are affected by this standard, we will contact you to discuss the need for disclosure and any opportunity to avoid disclosure through additional research. Any need for return disclosure or additional research could increase the cost of preparing your returns.

Our Fees

In addition to our fees for tax return preparation, you must also pay other expenses (e.g., postage, shipping, travel) relating to the services at our normal rates. Changes in the scope of our services, including preparation of additional returns, researching unanticipated technical issues, or performing accounting work as a precondition to tax return preparation, as well as our receipt of necessary information less than 30 days prior to the due date of the returns, will result in an increase in the amount of this fee. Invoices will be sent monthly for work performed during the previous 30 days.

Your Copy of Your Tax Returns

Federal law requires that we provide the taxpayer with a copy of any Federal tax return for which we are the paid preparer. Additionally, upon completion of the tax return preparation, any original tax documents (Forms W-2, 1099, K-1, etc.) as provided to LaPorte by the taxpayer will be returned to the taxpayer via United States Postal Service, unless another delivery method is expressly requested by the taxpayer.

Electronic Filing of Tax Returns

Federal and state tax laws mandate the electronic filing of certain tax returns and requests for extension. In some cases, the taxpayer may elect to file a tax return in paper format and in other cases an election to opt out of electronic filing is not available. Occasionally, technical limitations prevent the electronic filing of a particular return.

We will use our best efforts to electronically file your tax returns. Prior to electronic filing, we will provide you with the information to be included on your return for your review and approval. Federal and state laws require that we obtain your written authorization prior to electronically filing a return, so it is critical that you sign and return the E-File Authorization Form 8879 as provided to you by LaPorte upon completion of the tax return preparation to permit electronic filing by the return's due date. Please note the Form 8879 must display the full tax identification number(s) of the taxpayer(s).

If we cannot electronically file any tax return, whether due to technical limitations or for any other reason, we will provide you with those returns for filing in paper format. If you would like to opt out of electronic filing and file your returns in paper format, you must contact us immediately so that we can determine whether such an opt out is legally permissible and provide you with any required documentation. If any return is provided to you in paper format for filing, it is critical that you sign, date and mail that return by its due date. Any paper format returns being filed with a taxing authority must display the complete tax identification number(s) of the taxpayer.

Your Responsibility to Provide Information

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We may provide you with an organizer, a questionnaire and/or another request for information for the preparation of your returns, and it is necessary for you to respond to these requests completely and accurately. If you have any questions concerning a particular question or request, please contact us. You should also provide us with copies of information returns and other documentation relating to your taxable income (e.g., W-2s, 1099s, K-1s). For us to prepare state income or franchise tax returns, you must provide us information indicating the amount of income earned in each state, and the sales, property and employees in each state.

You must deliver all financial and other information necessary for preparation of your returns to us at least 30 days prior to the due date of the returns. Applicable laws and professional standards require us to apply certain review procedures in preparing a tax return, and we need adequate time to perform these procedures. If for any reason you are unable to provide us with this information at least 30 days prior to the due date, it may be necessary to seek an extension of the time for filing (if available). Please note that in seeking any extension of time for filing any tax return, you will be required to pay the estimated amount of any taxes due by the original due date in order for the extension to be effective.

Foreign Account Reporting

U.S. citizens and residents and certain nonresidents (including individuals, corporations, partnerships, trusts and estates) who have a financial interest in or signature or other authority over any "financial accounts" in a foreign country are required to make a separate filing if the aggregate value of these accounts exceeded \$10,000 at any time during a year. Filing requirements also apply to those with direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign financial accounts of its own. Foreign "financial accounts" include a wide variety of items, such as:

- ❖ Bank Accounts
- ❖ Mutual Funds
- ❖ Life Insurance
- ❖ Credit Cards
- ❖ Retirement Plans
- ❖ Securities or brokerage accounts
- ❖ Interests in partnerships, trusts or other pass-through entities having foreign accounts

Because persons with a financial interest and persons with signature authority are required to submit filings, a single account can require multiple filings. For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. Filings for financial interests held during 2016 and thereafter are due on the following April 15, with a six month extension until October 15 in a manner similar to extensions for income tax returns. There are severe civil and criminal penalties for non-compliance of these filing requirements. Even an inadvertent failure or incomplete filing can result in a \$10,000 civil penalty, and the IRS has been enforcing these penalties.

We are able to assist you in the preparation of these foreign account filings if you request. These services are beyond the scope of normal tax return preparation and will result in additional fees. Fees for preparing these filings and any related advice will be based on the time required for work performed, the number of filings prepared, the complexity of any technical issues addressed, and the impact of any impending deadline, plus out-of-pocket expenses. If you would like us to prepare these filings, or if you have questions concerning your filing obligations, you should contact us as soon as possible and provide us with all requested information.

New Tangible Asset Regulations

Virtually all business taxpayers will be affected by new tangible asset and repair regulations that became effective for 2014 and all subsequent tax years. The impact can be significant, and taxpayers must comply with these new regulations in accounting for the purchase, production, disposal and repair of assets. Compliance with these new regulations requires work that is beyond the normal scope of tax return preparation. The work to comply with the regulations is required for us to be able to prepare and sign your annual income tax returns under applicable law and professional standards. If your internal accounting staff has performed the necessary work, professional standards require us to review that work for compliance with the regulations. If you have not taken steps to comply with the regulations, it may be necessary for us to perform additional work to comply with the new regulations before completing preparation of your annual income tax returns. In either case, the fees for our services in addressing the requirements of the new regulations will be in addition to our fees for tax return preparation. Please feel free to call us with questions concerning these regulations.

Certain Additional Services

In connection with your tax returns or in response to your request(s), we may respond to questions, provide general tax information or explanations, discuss tax issues or otherwise consult with you concerning matters that are not the subject of a separate arrangement letter. We call your attention to the limited nature of due diligence and research typically performed in providing information regarding tax matters orally or via email, and the limitations on your ability to rely on any oral or email communications. We may also (at your request) assist you in responding to inquiries from the IRS or from other tax authorities concerning the tax returns that we prepare on your behalf. These services are beyond the scope of tax return preparation and will result in additional fees. Unless these additional services are the subject of a separate arrangement letter, our services in rendering that advice or responding to inquiries will be subject to the terms of this letter including the attached terms, conditions and limitations.

Confirmation of Management Responsibility

You have informed us that future audits of clients described in Section 1 may be performed in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States. GAS requires that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to a client described in Section 1, we must determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in the aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. You have designated Derek D. Bardell, a senior member of management, to oversee our services under all Statements of Work, and you have indicated that they possess suitable skill, knowledge, and experience to understand the services to be performed sufficiently to oversee them. You have also agreed that they will assume all management responsibilities for subject matter and scope of the services under this Engagement Letter. You have agreed to evaluate the adequacy and results of our services performed and you accept responsibility for the results and ultimate use of the services. You may from time to time designate another senior member of your management to exercise this management authority by written notice to us.

GAS further requires we establish an understanding with management (and those charged with governance) of the objectives of the non-audit service, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this Engagement Letter documents that understanding.

Use of Information in Accounting and Attest Services

If you have engaged us to provide you with audit, review, compilation or other accounting or attest services, information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. By signing below, you authorize us to use your tax returns and other tax-related information in connection with our performance of these accounting or attest services.

Conditions and Limitations

To assist you in understanding the scope of our services and other matters related to our preparation of your tax returns, we have attached a copy of the "LaPorte Terms, Conditions and Limitations for Tax Services." These Terms, Conditions, and Limitations describe certain customary practices that we will employ in delivering tax services to you. These Terms, Conditions, and Limitations are based in part on the requirements of applicable law and professional standards, and we have found that they allow us to provide our services in a cost effective manner, that meets our clients' expectations in most tax engagements. All our tax return preparation services are expressly subject to these conditions and limitations and by signing below you will agree to them. Please note that handwritten changes to this letter or to the attached terms and conditions will have no legal effect.

If this letter accurately describes the arrangement for our services to you, please sign the enclosed copy of this letter and return it to us at your earliest convenience. This letter and the attached terms and conditions are binding on all persons and entities whose returns are to be prepared pursuant to this letter and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind those persons and entities.

Sincerely,



Chavdney G. Pierce, CPA/ABV
 Director of Tax Services

Agreed and Accepted:

French and Montessori Education Inc. D/B/A Audubon Charter School

 Signature and Title

 Date

Schedule A - Additional Tax Returns to be Prepared

Taxpayer	Additional Returns

Coversheet

Financial Reports for the Month of April 2018

Section:	II. Finance
Item:	C. Financial Reports for the Month of April 2018
Purpose:	Discuss
Submitted by:	
Related Material:	1804 ACS Financial Statements April 2018.pdf

FRENCH AND MONTESSORI EDUCATION INCORPORATED

Financial Statements

For the Month Ended April 30, 2018

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

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These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED
D/B/A AUDUBON CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
FOR THE MONTH ENDED APRIL 30, 2018**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,331,172
Accounts receivable	253,360
Investments	1,419,516
Prepaid expenses and other current assets	<u>39,803</u>
 Total current assets	 5,043,851

PROPERTY AND EQUIPMENT, net	<u>1,180,919</u>
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TOTAL ASSETS	<u><u>\$ 6,224,770</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 399,831
Accrued salaries and benefits payable	152,562
Deferred revenues	<u>17,693</u>
 Total current liabilities	 570,086

NET ASSETS

Unrestricted net assets	<u>5,654,679</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,224,770</u></u>
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These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED
D/B/A AUDUBON CHARTER SCHOOL
STATEMENT OF ACTIVITIES AND BUDGET COMPARISON
FOR THE TEN MONTHS ENDED APRIL 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Annual Budget</u>	<u>% Achieved</u>
REVENUES AND SUPPORT				
MFP revenues	\$ 6,221,881	\$ 5,817,500	\$ 6,981,000	89%
Fee revenues	133,234	187,000	224,400	59%
Public grants and program funding	978,432	1,377,900	1,531,000	64%
Private grants and donations	1,494,421	171,667	206,000	725%
Income from investments	32,722	33,333	40,000	82%
Other income	359,778	442,800	492,000	73%
Total revenues and support	<u>9,220,468</u>	<u>8,030,200</u>	<u>9,474,400</u>	97%
EXPENSES				
Salaries	\$ 5,348,137	\$ 5,037,366	\$ 5,700,771	94%
Benefits	1,846,185	1,659,747	1,881,254	98%
Custodial	-	2,468	3,000	0%
Disposal	15,385	13,344	16,013	96%
Dues	56,515	38,750	46,500	122%
Food service	254,155	281,622	310,000	82%
Insurance	81,368	75,434	95,700	85%
Materials	278,856	200,171	218,061	128%
Purchased services	857,067	603,180	638,877	134%
Rentals	13,217	70,831	24,112	55%
Repairs and maintenance	160,081	355,686	208,193	77%
Travel	41,006	582,488	57,000	72%
Utilities	188,827	137,057	175,000	108%
Depreciation	48,566	134,921	59,000	82%
Other expenses	91,387	48,368	40,918	223%
Total expenses	<u>9,280,752</u>	<u>9,241,433</u>	<u>9,474,400</u>	98%
CHANGE IN NET ASSETS	<u>\$ (60,284)</u>	<u>\$ (1,211,233)</u>	<u>\$ (0)</u>	
NET ASSETS - Beginning of period	<u>5,714,963</u>			
NET ASSETS - End of period	<u>\$ 5,654,679</u>			

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED
D/B/A AUDUBON CHARTER SCHOOL
STATEMENT OF ACTIVITIES AND BUDGET COMPARISON
FOR THE MONTH ENDED APRIL 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES AND SUPPORT			
MFP revenues	\$ 926,194	\$ 581,750	\$ 344,444
Fee revenues	14,516	18,700	(4,184)
Public grants and program funding	181,448	153,100	28,348
Private grants and donations	15,082	17,167	(2,085)
Income from investments	411	3,333	(2,922)
Other income	31,456	49,200	(17,744)
Total revenues and support	<u>1,169,107</u>	<u>823,250</u>	<u>345,857</u>
EXPENSES			
Salaries	\$ 582,464	\$ 546,447	\$ 36,017
Benefits	192,250	179,780	12,470
Custodial	-	275	(275)
Disposal	5,095	1,334	3,761
Dues	2,452	3,875	(1,423)
Food service	25,655	31,104	(5,449)
Insurance	7,403	7,759	(356)
Materials	10,367	18,172	(7,805)
Purchased services	81,091	54,574	26,517
Rentals	5,793	1,562	4,231
Repairs and maintenance	14,219	17,349	(3,130)
Travel	9,127	4,750	4,377
Utilities	22,395	14,583	7,812
Depreciation	4,823	4,917	(94)
Other expenses	(15,357)	3,410	(18,767)
Total expenses	<u>947,777</u>	<u>889,891</u>	<u>57,886</u>
CHANGE IN NET ASSETS	<u>\$ 221,330</u>	<u>\$ (66,641)</u>	<u>\$ 287,971</u>
NET ASSETS - Beginning of month	<u>5,448,471</u>		
NET ASSETS - End of month	<u>\$ 5,669,801</u>		

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

Coversheet

Update on Draft of 2018-2019 Budget

Section:	II. Finance
Item:	D. Update on Draft of 2018-2019 Budget
Purpose:	Discuss
Submitted by:	
Related Material:	18-19 proposed budget consolidated pdf.pdf

Audubon Schools
Comparative Income Statements
2018 - 2019 Proposed Budget Schedule DRAFT

	<u>AUDUBON UPTOWN FY 2019</u>	<u>AUDUBON GENTILLY FY 2019</u>	<u>AUDUBON CENTRAL OFFICE FY 2019</u>	<u>TOTAL FY 2019</u>	<u>PRIOR YEAR'S BUDGET FY 2018</u>
Revenues					
MFP Revenues	7,254,000	1,209,000	-	8,463,000.00	6,981,000.00
Fee Revenues	158,100	86,700	-	244,800.00	224,400.00
Grants & Program Funding	1,251,975	599,851	-	1,851,825.70	1,531,000.00
Private Grants and Donations	286,000	827,517	399,850	1,513,367.00	206,000.00
Income from Investments	-	-	55,000	55,000.00	40,000.00
Other Income	450,000	100,000	-	550,000.00	492,000.00
Total Revenues	<u>9,400,075</u>	<u>2,823,068</u>	<u>454,850</u>	<u>12,677,993</u>	<u>9,474,400</u>
Expenses					
Salaries	5,043,998	1,276,835	892,224	7,213,057.00	5,700,771.17
Benefits	1,815,839	254,729	321,201	2,391,768.50	1,881,254.49
Custodial	-	-	-	-	3,000.00
Disposal	12,000	8,400	-	20,400.00	16,013.33
Dues	6,000	6,000	39,000	51,000.00	46,500.00
Food Service	285,000	125,091	-	410,091.00	310,000.00
Insurance	143,600	80,000	-	223,600.00	95,700.00
Materials	285,950	98,580	-	384,530.00	218,061.00
Purchased Services	670,580	258,261	71,000	999,841.08	638,877.17
Rentals	9,811	4,500	-	14,310.57	24,112.00
Repairs & Maintenance	182,500	83,880	-	266,380.00	208,193.34
Travel	40,000	10,000	5,000	55,000.00	57,000.00
Utilities	220,728	93,732	-	314,460.00	175,000.00
Depreciation	58,380	50,000	-	108,379.55	59,000.00
Other Expenses	113,375	20,000	-	133,375.00	40,917.50
Debt Service	-	91,800	-	91,800.00	
Total Expenses	<u>8,887,760</u>	<u>2,461,808</u>	<u>1,328,425</u>	<u>12,677,993</u>	<u>9,474,400</u>
Net Operating Surplus (Deficit)	<u>\$ 512,314</u>	<u>\$ 361,260</u>	<u>\$ (873,575)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>